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FOREIGN AFFAIRS

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OF LIBERTY

By Benedetto Croce

BETWEEN the orderly Europe that we used to know and the distracted Europe of today is fixed the great gulf of the World War. We remember the old Europe with its riches, its flourishing trade, its abundance of goods, its ease of life, its bold sense of security; we see today the new Europe — impoverished, discouraged, crisscrossed with high tariff walls, each nation occupied solely with its own affairs, too distraught to pay heed to the things of the spirit and tormented by the fear of worse to come. Gone is the gay international society once the pride of Europe's capitals; extinct, or almost so, is the old community of thought, art, civilization. How many astounding changes there have been in frontiers and in political relationships! In the place of the Germany of the Hohenzollerns we see the German Republic; Austria-Hungary has been dismembered and cut up into new states; French sway has been reëstablished over the provinces lost in 1870, and the Italian frontiers now include the unredeemed territories and extend to the Brenner; Poland has been reconstituted; Russia is ruled, not by the Tsars but by the Soviets; and the United States has become a dominant factor in European policy.

Yet if we pass from externals to essentials and try to identify the controlling forces now at work, we soon discern that these two Europes, so dissimilar in appearance, have continuity and homogeneity. When we leave out superficial impressions and make a careful analysis we detect the same characteristics in both, though in the Europe of today they have been exaggerated by the war. The same proclivities and the same spiritual conflicts are there, though aggravated by the general intellectual decay which was to be expected after a war which counted its victims by the millions, accustomed its survivors to violence, and destroyed

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the habit of critical, constructive and concentrated mental labor.

Nationalistic and imperialistic impulses have seized the victorious nations because they are victors, and the vanquished because they are vanquished; while the new states add new nationalisms, new imperialisms to the list. Impatience with free institutions has led to open or masked dictatorships, and, where dictatorships do not exist, to the desire for them. Liberty, which before the war was a faith, or at least a routine acceptance, has now departed from the hearts of men even if it still survives in certain institutions. In its place is an atavistic libertarism which more than ever ponders disorder and destruction, gives rein to extravagant impulses, and produces spectacular and sterile works. Indifferent and contemptuous, its followers scorn meditative and loving labor, labor with a reverent affection for the past and a courageous mastery of the future. They scorn actions which spring from the heart and speak to the heart, speculations which hold the germs of truth, history based on a realization of all that man has achieved by painful struggle, poetry which is beautiful.

Under the name of socialism, communism had already been introduced into the political life and institutions of Europe before the war. Now it has reappeared, crude and disruptive. Liberalism it ridicules as something naïvely moralistic. Like atavism, into which it often blends, this communism is a sterile thing that kills thought, religion and art: seeking to subjugate them to its own purposes, it can only destroy them. All the distortions and decrepit sophistries of historical materialism have reappeared in the current opinions and theories of the day as if they were new and full of promise, although any man with a slight knowledge of criticism and the history of ideas passed judgment upon them long ago. They have taken on an air of novelty and modernness merely because, although originally introduced by Europe to Russia, they now come out of Russia; if anything they are more immature and shallow than ever; but in this age of unprecedented callowness and crudity they gain unprecedented credence. Catholicism, moreover, which before the war sought to draw new strength from the forces of irrationalism and mysticism, has been gathering into its fold many weak and bewildered souls. Thus once again is heard that chorus of pessimism and decadence which echoed through pre-war literature, this time announcing the decline of western civilization and of the human race itself. According to

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these prophets it is about to sink back to the level of beasts after having failed to reach the estate of man.

All these are facts, and it is useless to deny them or to say that they are true only of certain people in certain countries. Like the situation from which they spring they are common to all Europe and all the world. And since they are facts, they must have a function to fill in the development of the human spirit and in social and human progress — if not as direct creators of new values, then at least as resources and stimuli for the deepening and broadening of old values. This function, whatever it may be, will be understood and described only by the future historian. He will have before him as a completed story the movement in which we are now involved and its subsequent developments. We cannot understand it or even attempt to describe it as a whole because we are part of it. Being in it, moving with it, we can, it is true, observe and understand many of its aspects, but that is all.

And what practical moral is there for each of us in the fact that we cannot know the future? This: that we must take part in what is going on about us, and not waste our forces in the contemplation of the unknowable, that we must act, to the degree that each of us can, as our conscience and duty command. Those who in disregard of the ancient admonition of Solon strive to understand and judge a life "before it is finished," and who lose themselves in conjecture and surmise, should be on their guard lest these digressions into the unknown prove a snare set by a bad demon to keep them from their goal.

Not "a history of the future" (as the old thinkers used to define prophecy), but a history of the past which is summed up in the present, is what we need for our work, for our action. And what we need most at the moment is to examine, or at least to review, those ideals which are generally accepted today. We must discover whether they contain the power to dissolve or surpass or correct the ideals which we ourselves hold; so that thereafter we may change or modify our ideals, and in any event reëstablish them upon a surer, sounder foundation.

The ideal of a transcendental system of truth, and, corollary to it, of a system of government from on high, exercised on earth by a vicar and represented by a church, has not yet acquired the intellectual proof which past ages found it to lack. Like all obvious statements this one runs the risk of seeming ungenerous. None the less, it is a fact that the spiritual impulse which has prompted many

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persons to return to Catholicism or to take refuge in it (or in similar if less venerable and authoritative havens) is merely a craving, amid the turmoil of clashing and changing ideals, for a truth that is fixed and a rule of life that is imposed from above. In some cases it may have no nobler basis than fear and renunciation, a childish terror in the presence of the perception that all truth is absolute and at the same time relative. But a moral ideal cannot conform to the needs of the discouraged and the fearful.

Nor can a moral ideal conform to the purposes of those who are drunk with action for action's sake; for action thus conceived leaves only nausea, a profound indifference toward all that has stirred the human race, and an incapacity for objective work. Humanity has drunk deep of nationalism and imperialism and the taste of them is already bitter as gall: *inveni amariorem felle*. Those who love action for its own sake still rage on. But where is their serenity of soul, their joy in life? The best of them are enveloped in gloom; the great mass of them are merely raw and stupid.

Communism, it is the fashion to claim, has passed from theory to practice and is being applied in Russia. But it is being practised not as communism but — in keeping with its inner contradiction — as a form of autocracy, as its critics had always predicted would be the case. Under it the people of Russia are denied even that faint breath of freedom which they managed to obtain under the autocracy of the Tsars. The abolition of the State, that "transition from the régime of necessity to the régime of liberty" about which Marx theorized, has not taken place. Communism has not abolished the State — it could not and never will be able to do so — but, as irony would have it, has forged for itself one of the most oppressive state systems which it is possible to imagine. In saying this we are not trying to deny that perhaps there were circumstances which forced the Russian revolutionists to choose the course they did and no other. Neither do we wish to detract from the immensity of their endeavors to develop, under these circumstances, the productive forces of the country. Neither do we minimize the importance of the lessons to be learned from their endeavors, or fail to admire the mystic enthusiasm, materialistic though it be, which inspires them and keeps them from sinking beneath the load which they have put on their own backs. It is this enthusiasm which gives them courage to trample on religion, thought, poetry, on everything in a word which we in the West revere as sacred or noble.

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Nevertheless the Russian Communists have not solved, nor will their violent and repressive methods ever enable them to solve, the fundamental problem of human society, the problem of freedom. For in freedom only can human society flourish and bear fruit. Freedom alone gives meaning to life: without it life is unbearable. Here is an inescapable problem. It cannot be eliminated. It springs from the very vitals of things and stirs in the souls of all those countless human beings whom the Communists are trying to control and reshape in accordance with their arbitrary concepts. And on the day that this problem is faced, the materialistic foundations of the Soviet structure will crumble and new and very different supports will have to be found for it. Then, even as now, pure communism will not be practised in Russia.

Outside of Russia this pseudo-communism has not gained much ground in spite of the fascination that always attaches to things remote in time and space — as the old adage has it, *maior e longinquo reverentia*. Two conditions present in Russia are indeed lacking in Western and Central Europe: the Tsarist tradition and mysticism. Miliukov was not far from the truth when he wrote of Lenin some twelve or more years ago that "in Russia he was building on the solid foundations of the good old autocratic tradition, but that as far as other countries were concerned he was merely building castles in the air." Even if such experiments should develop in other parts of Europe, the fact that other countries differ so from Russia in religion, civilization, education, customs, traditions — in historical background, in short — would produce something quite new, whatever its name and appearance; or else, after an indeterminate period of blind groping and struggle, there would sooner or later emerge that liberty which is only another name for humanity.

For liberty is the only ideal which unites the stability that Catholicism once possessed with the flexibility which it could never attain, the only ideal which faces the future without proposing to mould it to some particular form, the only ideal that can survive criticism and give human society a fixed point by which from time to time to reëstablish its balance. There are those who question the future of the ideal of freedom. To them we answer that it has more than a future: it has eternity. And today, despite the contempt and ridicule heaped upon it, liberty still endures in many of our institutions and customs and still exercises a beneficent influence upon them. More significant still, it abides in the

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hearts and minds of many noble men all over the world, men who though scattered and isolated, reduced to a small but aristocratic *res publica literaria*, still keep faith with it, reverently hallow its name, and love it more truly than ever they did in the days when no one denied or questioned its absolute sovereignty, when the mob proclaimed its glory and contaminated it with a vulgarity of which it is now purged.

And not only does freedom abide in such men, and not only does it exist and persist in the constitutions of many important countries and in institutions and customs. Its virtue is operative in things themselves and is gradually opening a way through many difficulties. We see it at work in the present wish for a truce in suspicions, a reduction in armaments and a peaceful settlement among the nations of Europe. That this is true is apparent in the general feeling that somehow these nations must contrive to harmonize their plans and efforts if they are to retain not their political and economic supremacy only, but even their leadership as creators of civilization and the aptitudes for this unending task which they have acquired through centuries of labor and experience.

Disarmament and world peace are the only statesmanlike projects among the many put forward since the war which have not faded out or been dissipated; rather are they gaining ground from year to year and converting many who were once antagonistic or incredulous or faint-hearted. We are entitled to hope that they will not be allowed to fail but will be carried forward to fulfilment in the face of all opposition. It is true that the World War, which future historians may well regard as the *reductio ad absurdum* of nationalism, has embittered the relations of certain states as a result of an unjust and foolish peace treaty; but it also has made the peoples aware in their innermost consciousness that they have common virtues and defects, common strengths and weaknesses, that they share a common destiny, are inspired by the same affections, afflicted by the same sorrows, glory in the same patrimony of ideals. This explains why already in all parts of Europe we are witnessing the birth of a new consciousness, a new nationality — for nations are not, as has been imagined, data of nature but results of conscious acts, historical formations. Just as seventy years ago the Neapolitans and the Piedmontese decided to become Italians, not by abjuring their original nationality but by exalting and merging it in the new one, so Frenchmen and Germans and Italians and all the others will rise to becoming

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Europeans; they will think as Europeans, their hearts will beat for Europe as they now do for their smaller countries, not forgetting them but loving them the better.

This process of amalgamation is directly opposed to competitive nationalism and will in time destroy it entirely; meanwhile it tends to free Europe from the psychology of nationalism and its attendant habits of thought and action. If and when this happens, the liberal ideal will again prevail in the European mind and resume its sway over European hearts. But we must not see in this rebirth of liberalism merely a way to bring back the "old times" for which the Romantics idly yearn. Present events, those still to take place, will have their due effect; certain institutions of the old liberalism will have to be modified and replaced by ones better adapted to their tasks; new governing classes, made up of different elements, will arise; and experience will bring forth new concepts and give a new direction to the popular will.

In this new mental and moral atmosphere it will be imperative to take up again the so-called "social" problems. They are certainly not of recent making; thinkers and statesmen have struggled with them for centuries, dealing with them as they arose, case by case and in the spirit of the times. During the nineteenth century they were the object of deep attention and most heroic remedies, and were dealt with in such a way as to improve greatly the conditions of the working classes, to raise their standards of living and to better their legal and moral status. "Planned" economy, as it is now being called, although it holds a foremost position in talk today is not essentially new; and the question cannot be seriously raised of finding a collective substitute for individual economy or free individual initiative, both of themselves necessary to human life and economic progress. Discussion can turn only on the proportions, great or small, to be assigned to one form of economic organization rather than to another, differing with different means, places, times and other circumstances. This is primarily a question for technical experts and statesmen, who will have to devise solutions suitable to the times and favorable to an increase of wealth and its more equitable distribution. It is a question for experts and statesmen; but they will be unable to fulfil their function or attain their ends unless liberty be there to prepare and maintain the intellectual and moral atmosphere indispensable to labors so arduous, and to quicken the legal systems within which their duties must be performed.

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THE FUTURE OF ECONOMIC NATIONALISM

By Sir Arthur Salter

THE world is now at one of the great cross-roads of history. The system, usually termed capitalist but I think better termed competitive, under which the western world has made its astonishing progress of the last century and a half, has developed deep-seated defects which will threaten its existence unless they can be cured. We need to reform, and in larger measure to transform, this system. We need so to improve the framework of law, of institutions, of custom and of public direction and control, that the otherwise free activities and competitive enterprises of man, instead of destroying each other, will inure to the general good. In the organization of industry, of credit, and of money, we need to supplement the automatic processes of adjustment by deliberate planning. This is the specific task of our age. If we fail, the only alternatives are chaos or the substitution of a different system inconsistent with political and personal liberty, perhaps after an intervening period of collapse and anarchy.

Now in every aspect of this great task one fundamental issue constantly occurs. Upon what basis are we to plan, at what goal should we aim? Are we to move more and more towards a system of closed units, with political and economic boundaries coterminous, each aiming at a self-sufficiency with no more than a minimum of external relations? Or are we to aim again at building up world trade within the framework of a world order? It is an issue which presents itself urgently to the world as a whole and to each nation. No complete realization of either ideal is of course practicable. But it is now that we must decide towards which we shall move.

We must understand the real alternatives clearly. The choice is not, of course, between a complete suppression of international trade on the one hand and its complete freedom on the other. In any event some foreign trade will and must take place. No country, or even continent, is completely self-sufficient or will be content to forego everything which it cannot itself produce. Nor, even so far as self-sufficiency is aimed at and achieved, will it always be coterminous with that of political sovereignty. Many

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smaller countries would find the restriction on their economic development, if it were dependent upon their own resources alone, so intolerable that they would be forced into economic unions with their neighbors. The conclusion to which the world will move, if the "closed unit" alternative is chosen, will be that of an economic system in which either single great countries, like the United States or Russia, or Empires such as the British, or economic unions of a number of separate politically sovereign states, for example in Central Europe, will form economic units, each producing from its own resources for its own market, with no more than an indispensable fringe of external trade as a supplement. Raw materials will be exported and imported; a few highly specialized manufactures will pass from one unit to another. The position will become more like that of the days before the industrial revolution, when with small unit manufacture and primitive transport facilities the vast bulk of the world's activities were national, or even regional and local, and external trade was mainly concerned with the precious metals, the precious spices, a few luxuries, a few staple commodities such as wool and its products.

Nor must we conceive the opposite alternative as that of a complete freedom of trade and a total suppression of tariffs. Tariffs will in any event remain as a convenient form of revenue; they will not be confined to those few articles which are not and cannot be produced at home, and will therefore in varying degree have a protective aspect. Moreover, even if the free-traders' economic argument were fully admitted, some countries would doubtless wish to avoid complete specialization upon a few types of production and secure a greater variety of national life, although at an admitted economic cost. It is a not unreasonable social ideal to desire to be a member of a community which comprises many varieties of occupation — agricultural, industrial, financial — rather than to be slightly better off in a community exclusively engaged, for example, in sheep-farming. In addition, various forms of protection are likely to be found as a counterpart to a deliberate planning of the economic and social life of a community.

But between these two impossible extremes, of completely closed economic units and complete freedom of trade, there is an immense field within which there are real alternatives. The world may be predominantly a world of closed units or a world of free intercourse.

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The issue is now, in some respects, clearer than it has ever been; for the collapse of the credit system has revealed the anatomy of the world's economic structure. So long as credit flows freely, economic developments and policies that are ultimately inconsistent and impracticable can long continue without apparent disaster. The arrest of credit brings us face to face with realities. The education of public opinion proceeds rapidly. The ordinary man learns quickly, perhaps has already learnt, that some ambitions, each attractive in itself, are incompatible. He begins to realize that a country cannot be at once a successful creditor from the past and a successful exporter, and at the same time a reluctant importer and a reluctant new lender. But when this lesson has been learnt, the conclusion remains uncertain. It is certainly not to be assumed, as is done by many who desire a world order and the restoration of world trade, that the result will be the adoption of a more international policy, the revival of exports by the admission of imports, the reëstablishment of the conditions of successful foreign investment by an active policy of coöperating to secure the necessary political basis of assured peace. It may be just the opposite. The disillusioned American citizen may say in effect: "I admit that the world's main political problem must be solved if foreign investments are to be more than a gamble and that this is improbable without America's active participation. But I don't wish to become involved in Europe's quarrels. I admit that if we don't allow Europe to pay her debts by sending in her goods, she won't be able to pay. Very well, if that is the choice, let us cut our losses. I admit that we can't maintain a large unilateral export trade, and that if our foreign trade is substantially destroyed our general level of prosperity will be lower than it would be if we could keep it and expand it within the framework of a secure world order. But the world situation is in any case too uncertain. If we establish our economic life to any substantial extent on such a basis, we shall always be liable to disastrous reactions from foreign events which we cannot control. Let us utilize our own resources, built on a foundation that we can ourselves assure; let us deliberately forego certain possible but precarious benefits for a more safe and stable economic life."

I do not mean that such a creed will be explicitly formulated and definitely adopted as a basis of official policy. That is not the way official policies are formed under the conditions of modern

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representative government. I mean that the customary resistance of particular interests to any substantial reduction of tariffs is likely to find support in sentiments of the kind just expressed.

If, indeed, this should be the conclusion to which the disillusionments of the present depression leads America, the reaction upon the rest of the world will be very important, and may be decisive. Other countries have a less plausible case for self-sufficiency because their internal resources are more limited. But in all cases a real alternative is presented between policies directed towards greater freedom of world trade or more restricted markets, and in every instance the issue is now in doubt. If the second alternative is taken, the inadequacy of the national resources of smaller countries is likely, as suggested above, to lead to economic unions of one kind or another, each of them having either internal freedom of trade or substantially lower tariffs than they impose against the goods of countries outside.

Nothing could illustrate better than the case of Great Britain the inevitable interaction of the world's economic policies and the unlikelihood, under modern conditions, that some countries will continue policies calculated to facilitate free intercourse, while the rest of the world pursues an exactly contrary course. For about half a century Great Britain clung to free trade in an increasingly protectionist world, with diminishing hopes that other countries would turn in the same direction. Until a few months ago this remained her fundamental policy; but the forces making for its reversal had obviously been growing in strength for some years. The financial crisis was the occasion of the radical change that has recently been made, but the underlying cause is undoubtedly the country's growing feeling that it could not remain as an open market in a protected world.

The issue recently decided as regards domestic policy now presents itself in the sphere of imperial policy. The dominions are of course in the position of self-governing States, united in their relations to each other and to Great Britain by common traditions and sentiments, but completely masters of their own policies. The Ottawa Conference has shown how far, at this moment, the tendencies that make for closer union against the rest of the world are potent. But the position of the so-called British Colonial Empire is in some respects more significant. It would indeed be very misleading to think of the policy of this Empire as being simply dictated from London. The Empire includes every variety

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of lands, not only in natural resources, but in stages of civilization and culture. And the Constitutions reflect these differences, ranging from autocratic paternal government at one end to a very large measure of self-government at the other. Nevertheless, it is true that, in varying degree and by gradual stages, Great Britain could if she so desired make a large part of her dependent Empire a more or less closed system.

No country which has been faced with the same issue, except Holland, could well complain if she did. French territories are divided between those which are "assimilated" (that is, included within the French Customs area) and others which have high preferential duties. Japan has proceeded on the "assimilated principle;" Italy, Spain and Portugal on the "preferential principle." The United States has applied the first system to Hawaii and the second to the Philippines. Nevertheless, such a change would be a breach with all the traditions of British Imperial policy, and might prove a disastrous landmark in world history. The main directing principle of British policy, though it is now subject to exception, has been that of the "open door." The raw materials of her colonies have not been reserved, or supplied on preferential terms, to the home country; and the colonial market has been open to the world. The United States Tariff Commission published in 1922 a report on Colonial Tariff policy which includes the following passage:

> Between 1860 and 1919, Great Britain maintained the open door in India and in the Crown Colonies generally, with either free trade or low tariffs for revenue only. In this period no British dependent colony had a general system of preferential rates. . . . During 1919–1920 there has been a considerable extension of differential tariffs . . . but since only about 5 percent of the total trade of the British Crown Colonies is affected by these differential duties, the open door is still the policy prevailing in the dependencies of Great Britain. . . . While the differential duties at present are so few, in so vast an empire, and one that controls the major part of the world's supplies of so many articles, the reintroduction, on however limited a scale, of the old mercantilist principle of the reservation of colonial products to the mother country must cause serious concern to the rest of the world.

This is a notable eulogy of a great venture in liberalism; may it not prove to be also its epitaph!

Great Britain is only one instance, though it is the most striking one, of the inevitable interaction of the commercial policies of different countries and their tendency to move in the same direction.

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This, then, is the great issue which presents itself to the world, and to each country in it, in the period immediately ahead of us. Shall we continue and intensify our present economic nationalism or shall we retrace our steps?

There is at least sufficient experience in this last post-war decade to show what the first alternative means. And it is perhaps worth while to recall some of the outstanding features of this experience. It is not necessary to insist on the familiar theme of the inevitable economic loss involved in putting impediments in the way of international commercial transactions which would never take place unless they brought benefit to both parties. It is sufficient on this aspect of the question to recall the unanimous verdict of the two hundred representative experts nominated by fifty governments who constituted the World Economic Conference of 1927. More important at this moment is the relation of economic nationalism to the present depression and to the political difficulties, both domestic and international, which confront the world.

Economic nationalism helped to cause the depression of 1929, and still more the financial crisis of 1930, chiefly by increasing the disturbing effect of the intergovernmental obligations left by the war and by its dislocation of the world's gold-standard currency system.

The sequence is clear in its main outline. Debtor countries can only meet their obligations by exporting more than they import; or by paying out of new loans; or, as the only remaining alternative to default, sending their gold. The larger debts left by the war were bound in time to become impossible unless imports were welcomed by the countries to which they were due. In fact, they were impeded by high tariffs, and the balance of payments was for a time maintained by loans and credit operations. The effect of these was necessarily to pile up indebtedness to ever-increasing heights, since the new money borrowed was not — and could not be — employed in such a way as to create corresponding additional exports. As soon, and just so far, as a recognition of the increasing danger of the situation restricted new lending, gold necessarily flowed to bridge any gap in the payments. This was bound in any case to be a very temporary expedient, since gold stocks are limited. Under ordinary condi-

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tions, however, the outflow of gold from debtor countries would have set corrective forces in operation. When the gold standard worked normally, as before the war, several results followed from such a movement of gold. Prices would go down in the country losing the gold, and up in the country receiving it. This would increase the exports of the first and the imports of the second. But in the post-war period, these results did not in fact follow. The gold was partly "sterilized" in the countries receiving it, so that prices did not increase proportionately; and so far as the gold standard did still retain sufficient potency to direct extra imports to the gold-importing countries they were kept out, not only by the existing high tariffs but by their increase.

It is such an *increase* of tariffs, made in order to counteract a flow of imports caused by the normal corrective operation of the gold standard, that made and must always make that standard — or any international money — impossible. This is the reason why the Hawley-Smoot tariff of 1930, and its ratification by the President, was such a decisive event in world history. For other consequences inevitably followed. The partial sterilization of gold exercised a deflationary effect on world prices, not indeed originally causing their fall, but continuing and increasing it. And the outflow of gold from debtor countries, deprived of its normal corrective effects, necessarily drained their currency reserves, and soon — through a chain of interacting events — made it impossible for debtors to meet their foreign obligations (which constituted the financial crisis of last summer), and then drove more than half the world off the gold standard. In the meantime, the fall in prices aggravated by the maldistribution of gold increased the real burden of all debts. Thus a debtor country, producing say food and raw materials, would find the prices of these commodities halved, so that it would have to export twice the quantity to meet a given gold obligation; and at the same time it might find that, through the general conditions of the crisis, its exports also were halved; so that its burden was quadrupled. And thus the crisis has been prolonged and intensified.

These results were the unintended but inevitable consequents of economic nationalism combined with large international debts. Without the first, both reparations and war debts could have been paid on a large scale by methods which would not (like the actual new borrowing that took place) have merely postponed and aggravated the ultimate difficulty. Without the second, economic

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nationalism would indeed, as it always does, have brought both economic loss and international friction; but it need not have been a principal factor in an unprecedented financial crisis.

Not less striking is the light which recent experience throws upon the relation between economic nationalism and political impotence at home and political friction abroad.

In a large proportion of countries at the present day the fundamental evil, deeper and more enduring than the economic depression itself, is political impotence, the inability of government to govern. There are other causes of this impotence, but one of the strongest and most widespread is certainly the corrupting influence of a policy of changing tariffs. In the nature of the case this must be so. Whatever the loss involved to the community as a whole by a new tariff, it usually carries a substantial financial advantage for the particular industry protected. The industry organizes pressure because it finds that pays. Collectively, members of a representative assembly are judge; individually they become advocates. Log-rolling is the consequence, and the national tariff that emerges is not an expression of national policy, wise or foolish, but the sum of competitive — or corruptly concerted — pressures. The whole machine of government has its attention diverted from its proper tasks, and is made unfit for them. At the best the available resources of intelligence and honesty, in even the most fortunate of countries, are barely sufficient to enable it to deal with its essential problems on the basis of a representative system. With the added duty of framing discretionary and variable tariffs, the task of making representative government compatible with honesty and efficiency becomes impossible. After many years of international negotiations on commercial policies, I came to the deliberate conclusion that the greatest and most fundamental difficulty was not an international one at all, it was the impotence of the national governments. Just so far as one could penetrate the real minds and thoughts of the delegates, one saw that what was determining their attitude was not a conception of national policy but a calculation of political pressures. If the national representatives had been masters in their own houses, a settlement might have been possible; but on the prevailing basis nothing could be done.

International agreements, and any kind of practicable world order, must be built up on national units. If these foundations crumble the larger structure crumbles. Illustrations of the

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impotence of government abound on every hand; and there are of course other causes; but no judgment of the present and no constructive plan for the future is possible without recognition of the extent to which this variable tariff-making power under the control, directly or indirectly, of representative assemblies is sapping the foundations upon which government is built.

In spite, however, of the economic loss and the corruption of domestic government that result from economic nationalism, it is its effect upon international relations that is most obvious and direct. Of the four great historic causes of war — dynastic, religious, economic, and political — the first two now belong to the past, at least so far as nations of the western races are concerned. The two dangers for the present and the future are political nationalism and economic nationalism. The first of these is more obvious in relation to actual disputes and imminent dangers; we think of the national sentiments that gather round such a question as the Polish Corridor, or countries denied freedom or equality in armaments, when we are trying to assess the immediate prospects of peace or war. In the period succeeding a great war all such sentiments are abnormally inflamed. But deeper and even more enduring as a permanent threat to peace are the economic causes of friction. Without them political animosities themselves would lose half their venom and national loyalties would more easily find an innocent expression.

Throughout history economic disputes have been among the principal causes of war. But the form which the economic danger takes has changed from age to age. In earlier history occurred the great migrations under the spur of hunger; in later eras we see the forcible seizure of a neighbor's territory, or the partitioning of uncivilized areas to form the empires of more advanced countries. It obviously is not possible to say that such causes of war belong definitely to the past. The Japanese action in Manchuria is a warning against any unqualified generalization. Nevertheless, as far as western countries are concerned, a very definite stage was marked by the partitioning of Africa in the last century. The danger which is characteristic of the present period, and the only one which needs very serious consideration, is of a different kind. It arises from the use of the national instrument of government to influence the competitive struggle — that is, from the use of the tariff-making power, from the clash between the natural development of trade and industry and the political frontiers which have

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been converted into economic barriers. Of course this is not a new phenomenon in history. But it is now of altogether unprecedented importance, and dominates every other form of economic danger in international relations.

The danger is in some respects greater because of the uncertainty and ambiguities of the present position. The action which almost every government is taking to exclude the goods of other countries, and to subsidize its own exports in world markets, assumes many forms and is with few exceptions not guided by any recognized code of behavior, much less restrained by binding laws or treaties. Each new action is resented by those whose interests are adversely affected, and is followed by a retort which is equally resented by the first party. Recriminations follow, with no recognized criterion by which to judge between them, and a general international temper is created which envenoms current political disputes and greatly adds to the strain on any preventive machinery devised as a safeguard against war.

Space does not suffice to illustrate adequately the multitudinous forms which this form of economic nationalism assumes. Governments devise new forms of tariffs, prohibitions, quotas, exchange restrictions, for the benefit of some immediate interest in their own countries, with little regard for their effect upon others. Official representatives accredited to foreign capitals, who derive their influence from the knowledge that those who employ them have in their control the national armed forces, support their respective nationals in their competition for foreign business. They all of them employ methods which the others resent as unjust. One, for example, will hint that a settlement of a governmental debt will be facilitated if a new contract is given to a particular firm. Another will hint at support in a political dispute. Those whose interests are prejudiced will resent the use of such influence, and will ask their own government representatives to give them equally effective help, which will in turn be equally resented; and here again there is no recognized criterion of behavior. The consequence is that in a large proportion of the capitals of smaller countries the representatives of Great Powers are occupied more in work that causes trouble between those Powers than in establishing healthier relations with the country to which they are accredited. Often, too, if we look below the surface of a dispute which is apparently political, we find the same economic forces obscurely working. The political animosities

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between Germany and Poland, for example, have been kept alive largely by the rivalries of coal interests or agriculturists who desire to avoid any agreement which would result in the import of coal or pigs from across the border into their own market.

It might be said that if economic nationalism were carried even further, some of these dangers would be lessened. If tariffs were everywhere completely prohibitive, so that world trade was really limited to the exchange of these commodities which could in no case be produced at home, the situation would be known and recognized; the multiplicity of separate occasions of friction that arise under present conditions would cease.

To some extent this is true. But other dangers, ultimately more formidable, would come into existence. If the world is organized in the form of closed units, in each one of which all the national resources are gathered and concentrated, the general situation must be one of grave and constant danger. Among all the fundamental conditions that make for peace the greatest is the existence of counteracting forces that will come into operation when any momentary folly of those who control policy threatens war. So long as a large proportion of the people of each country feel that their interests are involved with the fortunes of other countries, and depend upon peaceful relations with them, there will be an automatic resistance to any dangerously nationalistic policy. For this reason it is better that men should think of themselves more in terms of their occupations, professions and businesses, and meet the nationals of other countries on that basis; and be less conscious in all their activities of their differences as Englishmen, Germans or Frenchmen. The identification of all the interests and activities of a country with its political sovereignty, and the political authority which controls its armed forces, is the greatest of all the ultimate dangers. On the other hand, when the citizens of different countries meet on a basis of common interest that transcends or cuts across national frontiers — whether they are scientists, or schoolmasters, or financiers, or industrialists, or trade unionists — and when organizations develop on lines determined by their special purpose in science, education, finance, industry or labor conditions, and draw their members indifferently from every country, the basis of international relations is broadened and international amity no longer rests on purely political foundations. If, then, economic nationalism were developed to its ultimate extreme, and firmly kept there,

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some of the casual frictions that result from the present intermediate and ambiguous position might cease, but even graver dangers would replace them.

This is, however, an unreal assumption, for it is incredible that such complete economic nationalism could be securely entrenched. It would in each country be constantly menaced by the resistance of the economic interests it was repressing. It is too directly opposed to natural economic development to be permanently possible. An intensification of the present economic nationalism would thus bring new dangers, without even the advantage of establishing a known and recognized policy which would end the friction that now arises from uncertainty.

III

What, then, of the prospects for the future? Will economic nationalism increase or decline? Those who take the former view will find their strongest argument in the fact that, in the absence of deliberate decision and action, the mere drift of policy is bound to be in that direction. The pressure which separate interests exercise on the government is almost always in order to secure action which means a more nationalistic policy. The interests which lose by such a policy are more dispersed and less organized. A policy composed, as most policies have been, of the sum of sectional demands, means a nationalistic policy. A wiser policy needs to be collective and deliberate. It depends upon the wisdom and power of governments, and the good sense of those upon whom their authority depends. The case of those who expect an intensification of the present nationalism is therefore obviously a strong one. Nevertheless, the reasons for expecting policy to move in the opposite direction are also strong.

Lessons taught by the past are rarely learned; but immediate suffering is a more effective schooling. World trade is now demonstrating its real value by its disappearance. The destruction of world currency by nationalism is showing us unmistakably what we have lost. Under the pressure of necessity, leadership is reappearing in some countries. The monetary policy of the Federal Reserve Board, for example, is courageous and determined, and needs probably only a less pessimistic national psychology to become effective. In other cases, the same necessity has produced a national temper which gives leadership a chance; the success of the conversion loan in Great Britain may be cited

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as an illustration. These instances may seem irrelevant to a discussion of nationalism. But they are in fact closely related to it; for nationalism will be restrained if government can govern. If collective control can really make the *res publica* effective over sectional interests, collective wisdom will have its chance.

Indeed, if we take not a near but a distant view, the answer to our question can hardly be in doubt. The whole tendency of modern industrial development is towards a large scale organization which is only compatible with secure access to markets which are larger than those comprised within national frontiers. The economic life of the world, as it grows and finds expression through all the multitudinous activities of man, implies more and more world trade and a world order. It is incredible that government policies should permanently obstruct this natural and inevitable development. Ultimately policies must be adapted to the requirements of the actual life of the world. A world order must be established; the conditions of secure intercourse must be assured. Economic nationalism must be a passing phase in the world's history.

Yes, the ultimate answer is certain. But the immediate answer is doubtful. In this, as in other spheres, we may drift on till natural forces at last compel a solution after decades of intervening anarchy and disaster. Or we may, by deliberate policy, anticipate the conclusion and avoid the intermediate period of suffering and distruction. The issue depends upon a few great countries; upon their recognition that they cannot abdicate their responsibilities for the fate of a world which must be determined mainly from their decisions, or isolate their own fortunes from a world of which they are, and cannot but be, integral units. Nationality has been for many years the form in which the aspirations of man for liberty and free development have found their expression; nationalism is the abuse of nationality which now threatens all that it has given or promised with destruction. The present situation is the greatest challenge ever given to the constructive and collective intelligence of man.

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POLITICAL FACTORS IN AMERICAN FOREIGN POLICY

By George W. Wickersham

THE foreign policy of any nation is the resultant of varied forces. Economic conditions, commercial rivalries, dynastic ambitions, and special issues arising from time to time, determine a nation's attitude toward other states. In a democracy, it is also inescapable that a political party in opposition should oppose measures taken by the party in power affecting relations with foreign countries, as well as those affecting only domestic subjects, particularly when the character of the matter involved may be used to arouse public interest or public prejudice. The motto of every political party is, "Any stick to beat a dog!"

Paradoxically enough, in the United States, one of the youngest of the nations, tradition has been perhaps the strongest force in shaping our international course. This was recognized by the group of Senators who in 1919 organized to prevent the approval of the Versailles Peace Treaty, as a means of destroying President Wilson and defeating the Democratic Party at the next general election. They took as the keynote of their campaign the counsels of Washington's Farewell Address and Jefferson's pronouncement against "entangling alliances," and by constant reiteration of the sacred principles of aloofness from European affairs, succeeded in convincing a large part of the electorate that the Covenant of the League of Nations was a snare to entrap America into such an entangling alliance as Washington and Jefferson feared. The Monroe Doctrine also was pressed into service as an assertion of American hostility to the nations of Europe, and the proposed League to preserve the peace of the world was interpreted as a threat to our national sovereignty which would bind us captive to the European juggernaut!

Recognizing, however, the widespread feeling among our people that the great purpose of the World War was to prevent future wars, and that we should not be keeping faith with those who sacrificed their lives to the cause unless our country took some affirmative action to prevent a repetition of the tragedy of 1914–1918, the Republican platform of 1920 declared that the Party "stands for agreement among the nations to preserve the peace of the world." But, it continued,

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we believe that such an international association must be based upon international justice, and must provide methods which shall maintain the rule of public right by the development of law and the decision of impartial courts, and which shall secure instant and general international conference whenever peace shall be threatened by political action, so that the nations pledged to do and insist upon what is just and fair may exercise their influence and power for the prevention of war.

The purpose and the principle of the League thus were approved, but it was asserted that the Covenant

contains stipulations, not only intolerable for an independent people, but certain to produce the injustice, hostility, and controversy among nations which it proposed to prevent.

The Democratic platform advocated the immediate ratification of the Versailles Treaty, without reservations, but stated that the Party did not

oppose the acceptance of any reservations making clearer or more specific the obligations of the United States to the League Associates.

The part played by the League issue in the election of Mr. Harding always will be a matter of dispute, but the political effect of the prejudices aroused by the campaign against the treaty was to revitalize the eighteenth century prejudices against any agreement with foreign nations which committed our government to concurrent action or conference with European nations, and to create a miasmatic political atmosphere through which we have had to struggle in all subsequent efforts to reach and maintain the agreements with other nations which the aftermath of the Great War have made imperative.

The Republican national platform of 1924 reaffirmed the Party's stand

for agreement among the nations to prevent war and preserve peace.

Yet it again commended the government for definite refusal of membership in the League of Nations. It favored the adherence of the United States to the World Court, on the terms proposed by President Coolidge, but asserted as

the basic principles of our foreign policy . . . independence without indifference to the rights and necessities of others, and coöperation without entangling alliances.

The 1924 platform of the Democratic Party, while renewing

its declaration of confidence in the ideals of world peace, the League of Nations and the World Court of Justice, as together constituting the supreme effort of

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the statesmanship and religious conviction of our time to organize the world for peace,

recommended that the question whether or not the United States should become a member of the League of Nations, with such reservations to the Covenant as were agreed upon by the President and the Senate, should be submitted to the people by referendum. The absence of any constitutional provision for such a referendum, and its lack of binding effect, emphasize the conviction that this course was adopted as a convenient method of sidestepping the issue. In other words, the political effect of arousing national prejudice against "foreign entanglements," and the easy response to xenophobic appeals, was felt even in the councils of the party of Woodrow Wilson, in relation to the very measure for the preservation of world peace to which he had sacrificed his life. It is not difficult to arouse popular passion and prejudice. But once they have been aroused, it is not easy to allay them or to escape their consequence.

Gustav LeBon,[1] in his epoch making study of the psychology of crowds, remarks that "the destinies of peoples are determined by their character and not by their government." He points out the influential part played in national action by traditions, which represent the ideas, the needs and the sentiments of the past. "Neither a national genius, nor civilization," he says, "would be possible without traditions. In consequence, man's two great concerns since he has existed have been to create a network of traditions which he afterwards endeavors to destroy when their beneficial effects have worn themselves out. Civilization is impossible without traditions and progress impossible without the destruction of those traditions."

The history of American foreign policy since 1920 has been an epitome of just such a struggle. On the one hand has been the dynamic pressure of the actualities of international relationship; the world has been drawn into intimate contact by applied science — the telegraph and cable, the telephone and the radio, the railway, the steamship and the airplane — and by the necessary interchange of merchandise and of ideas, with the inevitable result that every nation is affected by social and economic conditions in other parts of the world. In particular, war anywhere affects peoples everywhere. In the opposite sense there has been in operation the hampering influence upon government of preju-

[1] "The Crowd, A Study of the Popular Mind." London: Fisher Unwin, 1910, p. 92.

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dices against international agreements of any kind, the popular belief that a nation can live unto itself and yet share in prosperous foreign commerce with others, the delusion that war can be prevented by mere declarations of "outlawry," without the adoption of effective methods for the peaceful adjustment of international controversies, and the persistent belief that an agreement to act in concert with other nations to prevent war involves an unjustifiable surrender of national sovereignty. LeBon is quite right when he says: "Progress is impossible without the destruction of these traditions."

The foreign policy of the United States finds expression in its intercourse with other governments, carried on, in the first instance, by the President, through the Department of State. But as all international agreements which rise to the dignity of treaties, in order to be binding must be made with the advice and consent of the Senate, expressed by the vote of two-thirds of those present, and as laws and appropriations of money necessary to carrying out treaty provisions must be agreed to also by the House of Representatives, the sentiment of those bodies may not safely be disregarded by the Executive. Thus the foreign policy of the United States is strongly influenced by the opinions and the action of the Senate and the House.

As a matter of history, from the foundation of our constitutional government, the Senate, and at times even the House of Representatives, has insisted upon being recognized as a factor in the determination of our foreign policy. The provision of the Constitution which qualifies the President's power to make treaties, by requiring the advice and consent of the Senate, almost of necessity introduces political factors into our international relations. The House of Representatives has no constitutional part in such matters until it becomes necessary to enact laws to carry out treaty provisions, or to authorize the expenditure of money. Efforts by the House to make these legislative powers the excuse for it to review the process of treaty-making, first attempted in connection with the Jay Treaty with Great Britain in 1794, have not proved successful. President Washington at that time declined to comply with a resolution of the House requesting him to furnish it with a copy of the instructions to Mr. Jay, together with the correspondence and other documents relative to the treaty, in a message which clearly drew the line between the constitutional powers of the Executive and those of the House of

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Representatives in connection with legislation affecting the carrying out of a treaty. The President's position was sustained, and no successful effort since then has been made by the House to interfere with or override the control of the treaty-making power by the President and the Senate.

The relations between the President and the Senate furnish a different history. Down to 1902, the Senate amended 57 treaties which afterwards were ratified by the President; it amended 24 other treaties which were not ratified, because in their revised form they were not acceptable to the President.[2] The treaty of peace with Spain, negotiated at Paris in 1898, encountered much opposition in the Senate; it probably would not have been ratified if it had not been that the President had appointed two Senators (Cushman K. Davis and William P. Frye) as members of the Commission which negotiated the treaty. Unfortunately, President Wilson did not follow this precedent in the negotiations between the Allied and the Central Powers at the close of the World War. The method resorted to by the Senatorial opponents to that treaty was to smother it with "reservations," which in effect were amendments, and which the President refused to submit to the other Powers. President Harding profited by this example and included among the American representatives at the Naval Conference at Washington in 1921–1922 two Senators (Messrs. Underwood and Lodge) and a distinguished former Senator (Mr. Root). The more important of the treaties agreed upon at that Conference — that limiting naval armaments and the Four-Power Pacific Pact — would hardly have secured the approval of the Senate without the advocacy of the Senatorial Commissioners. Even as it was, a reservation was attached to the resolution of consent and approval of the last-mentioned agreement, reciting that

> the United States understands that under the statement in the preamble or under the terms of this treaty there is no commitment to armed force, no alliance, no obligation to join in any defense.

The preamble about which the Senate thus showed its concern merely recited that the four signatory Powers,

> with a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean,

[2] "The Treaty-Making Powers of the Senate," by Charles C. Tansill, *Journal of International Law*, Vol. XVIII, p. 459.

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had determined to conclude the treaty; and the agreement was merely to the effect that if any controversy should arise between any of them over any Pacific question which was not settled by diplomacy, they should invite the other parties to the treaty to a conference to which the whole subject would be referred for consideration and adjustment; while if their rights were threatened by the aggressive action of any other Power, they would communicate with each other,

> fully and frankly, in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

President Hoover followed the precedents set by Mr. McKinley and Mr. Harding, by appointing Senators Joseph T. Robinson and David A. Reed among the respresentatives of the United States to the London Conference on Limitation and Reduction of Naval Armament in the spring of 1930, and the ratification of the treaty there negotiated undoubtedly was due in large part to the participation of those Senators.

There is something almost childish in the wearisome reiteration, in Presidential messages submitting proposed treaties negotiated since the defeat of the Versailles Peace Treaty, as well as in resolutions of approval by the Senate, that the treaty in question does not commit us to any *alliance*, or to do anything we do not choose to do!

President Harding's understanding of the temper of the Senate led him, in submitting the naval limitation treaties, in 1922, to say:

> I am not unmindful, nor was the Conference, of the sentiment of this chamber against Old World entanglements. Those who made the treaties have left no doubt about their true import. . . . Therefore, I can bring you every assurance that nothing in any of these treaties commits the United States, or any other Power, to any kind of an alliance, entanglement or involvement.

The President's argument to the Senate was infinitely pathetic. Two years' experience in the Executive branch of the government had given him a very different appreciation of the problems involved in dealing with the effects of the Great War, from that which he had entertained as Senator during the debate over the Treaty of Versailles. He now pleaded earnestly for Senatorial understanding and approval:

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If nations may not establish by mutual understanding the rules and principles which are to govern their relationship; if a sovereign and solemn plight of faith by leading nations of the earth is valueless; if nations may not trust one another, then, indeed, there is little on which to hang our faith in advancing civilization or the furtherance of peace. . . . We can no more do without international negotiations and agreements in these modern days than we could maintain orderly neighborliness at home without the prescribed rules of conduct which are more the guaranties of freedom than the restraint thereof.

Frankly, Senators, if nations may not safely agree to respect each other's rights, and may not agree to confer if any party to the compact threatens trespass, or may not agree to advise if one party to the pact is threatened by an outside Power, then all concerted efforts to tranquilize the world and stabilize peace must be flung to the winds. Either these treaties must have your cordial sanction, or every proclaimed desire to promote peace and prevent war becomes a hollow mockery.

The treaties were ratified with the reservation above quoted. A forward step, although a short one, thus was taken in the direction of overcoming hampering traditions. The influence of the Senatorial Commissioners was evident in securing this result.

It is a counsel of perfection, asserted from time to time, that politics should stop at the water's edge, and that once the Executive has taken a position or negotiated a treaty with a foreign Power, he should then be supported and his action approved by the legislative branch. Foreign governments cannot negotiate with the United States Senate. They have to assume that in international relations the President and the Secretary of State represent the sovereignty of the nation. It seems, then, that agreements concluded by the latter should be ratified by the Senate unless they are clearly contrary to the national interest.

This was the theory upon which President McKinley, one of the most experienced politicians who ever held the Executive office, urged the Senate to approve an arbitration treaty with Great Britain which had been negotiated by his predecessor, Mr. Cleveland. He said:

This agreement is clearly the result of our own initiative, since it has been recognized as the leading feature of our foreign policy throughout our international history — the adjustment of difficulties by judicial methods rather than by force of arms — and since it presents to the world the glorious example of reason and peace, not passion and war, controlling the relations between two of the greatest nations of the world, an example certainly to be followed by others.

Therefore he urged the Senate, "as a duty to mankind," to give the treaty the seal of its approval. But what a writer in this re-

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view humorously has described as "Senatorial jealousy of Senatorial prerogative and Senatorial difficulty of making up two-thirds of the Senatorial mind,"[3] were not overcome by the considerations which actuated the President and the treaty failed of approval.

Nor was another Republican President, also an experienced politician, more successful with a treaty which presented to the world a "glorious example of reason and peace, not passion and war, controlling the relations between" the nations of the world. President Harding, appealing to the Senate in February 1923 for its consent to the Executive approval of the Protocol of the World Court, assured the Senate that

> our nation had a conspicuous place in the advocacy of such an agency of peace and international adjustment and our deliberate public opinion of today is overwhelmingly in favor of our full participation, and the attending obligations and the furtherance of its prestige.

The Senatorial mind was not moved by these considerations, nor even by his final and despairing appeal:

> It is not a new problem in international relationship; it is wholly a question of accepting an established institution of high character, *and of making effective all the fine things which have been said by us in favor of such an agency of advanced civilization*. . . . Such action would add to our own consciousness of participation in the fortunate advancement of international relationship and remind the world anew that we are ready for our proper part in furthering peace and adding to stability in world affairs.

The Senate would not yield to such persuasion, even at the insistence of its former member, nor give its approval to a step in international relationship which was in line with the national policy adopted almost from the foundation of the Republic, and which was the fruition of the efforts of a series of presidents, all of whom were members of the political party in control of the Senate at the time of Mr. Harding's recommendation. Nor have his successors, Presidents Coolidge and Hoover, as yet been more successful than was Mr. Harding in securing the Senate's acceptance of this established institution of high character except upon conditions which involve a serious modification of the jurisdiction of the Court.

Senatorial prejudice seems to be a stronger influence in shaping our foreign policy even than national tradition. Indeed, the effect of tradition in moulding our foreign policy is strongest when in-

[3] John W. Davis, "The Permanent Bases of American Foreign Policy," FOREIGN AFFAIRS, October 1931.

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voked in opposition to proposed action. And seldom is public sentiment in support of measures recommended by the Executive strong enough to overcome Senatorial opposition. Thus the sinister process of approval "with reservations," which the Senate in late years has found so effective as a means "to keep the word of promise to our ear, and break it to our hope," until now has prevented "our great nation, so devoted to peace and justice," from effecting our adherence to the World Court and thus discharging what President Hoover has described as its duty to lend "its coöperation in this effort of the nations to establish a great agency for such pacific settlements."

The Kellogg-Briand Peace Pact is one outstanding exception to this general rule. That treaty merely committed the nation to a moral principle and involved no *obvious* agreement for concurrent action with other nations. The whole nation was in favor of "the outlawry of war," and the Pact was adopted on August 27, 1928.

It was not adopted, however, without the spectre of "entangling alliances" again being raised. By the terms of the agreement, which was opened to all the nations of the world, the high contracting parties renounced war as an instrument of their national policy, and agreed that the settlement of all disputes or conflicts should never be sought except by pacific means. An effort was made by some of the Senators who had most actively opposed the Versailles Peace Treaty and the Four-Power Pacific Pact to attach interpretative resolutions to the approval of this treaty. The effort failed. Yet favorable action could not be secured until a report from the Committee on Foreign Relations was read to the Senate and spread upon the records. This report set forth the Committee's understanding of the effect of the treaty upon the right of national defense and upon the Monroe Doctrine; and asserted, (1) that the treaty involved no obligation, express or implied to engage in punitive or coercive measures against a nation violating the treaty; and (2), that the treaty in no respect changed or qualified our position or relation to any pact or treaty existing between other nations or governments. The report, however, stated explicitly:

> This report is made solely for the purpose of putting upon the record what your Committee understands to be the true interpretation of the treaty, and not in any sense for the purpose or with the design of modifying or changing the treaty in any way or effectuating a reservation or reservations to the same.

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Thus a declaration expressing what the Committee understood to be the meaning and effect of the treaty was spread upon the records, but without being adopted as either reservation or amendment. The Senate thereupon voted to consent and approve.

Since the Briand-Kellogg Pact was ratified, it has frequently been asserted that the lack of even such an agreement as that contained in the Four-Power Pacific Pact, binding parties to it to confer in the event of its actual or threatened violation, is a distinct weakness in the treaty, which should be removed by some further agreement. Secretary Stimson, in an address on August 8, 1932, before the Council on Foreign Relations,[4] combated this criticism by maintaining that in case of a threat against the Pact, consultation between the signatories is inevitable. He thinks that this fact has not been fully appreciated by well-wishers of the treaty who have desired to see it supplemented by a formal provision for consultation. In his view, the developments of the last three years, particularly in connection with the threatened conflicts between Russia and China and between China and Japan, have made the inevitable consequences of the treaty so obvious, and the positive construction put upon it has imbued it with such vitality, that the misgivings of these well-wishers should be set at rest.

Implicit in this interpretation is a recognition (as a sequence of the controversy over the League of Nations) of the unwillingness of the Executive to challenge opposition in the Senate by proposing agreements for future action. If a concurrent declaration of principles against war as an instrument of national policy makes inevitable a conference between the affected powers, in the event of a breach or threatened breach, then it would seem that a recognition of that fact, and advance provisions for the speedy assembly of representatives of the parties and the adoption of methods for regulating their action, would greatly strengthen the force of the agreement. This has been the experience of the League of Nations, and while it is a comforting thought to the Executive branch of the government, desirous of advancing the interests of international peace, that the Kellogg Pact inevitably requires concord of action, it may be doubted whether that fact alone is a sufficient answer to the conviction, universal outside of the United States and shared by a large number of its citizens, that a

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definite agreement regulating such conference and action would be a desirable addition to the peace machinery of the world. It is a singular fact that in contradistinction to Secretary Stimson's views on the subject, both of the great political parties in their 1932 national platforms have declared themselves in favor of supplementing the Pact by legislation facilitating the calling of international conferences in case a violation of its provisions is threatened.

Another point which must be taken into account in connection with our international negotiations is the inflexible determination of the Senate not to approve any treaty of arbitration which does not provide that when any specific question is proposed to be submitted to arbitration, the *compromis*, or document of specifications, shall first be submitted to and approved by the Senate. This attitude has made the United States a laggard in the movement towards the adoption, in advance of the development of particular controversies, of a general treaty or agreement to submit international controversies to peaceful settlement by arbitration or judicial determination.

In recent years many nations have entered into treaties by which they unqualifiedly agree that all controversies arising between them, which are not settled by diplomatic methods, shall be determined by arbitration, or by submission to the Permanent Court of International Justice. But the Senate of the United States consistently refuses to approve any arbitration treaty without reserving to itself the right to approve in advance the formulation of the issue to be submitted in any particular case. This is the rock upon which was split the Olney-Pauncefote Treaty of January 11, 1897, above referred to, which President McKinley unsuccessfully urged the Senate to accept.

The Senate's position in this regard is maintained without regard to partisan politics. It is the assertion of a Senatorial prerogative to which both parties seem equally committed.

Another consequence of the defeat of the Versailles Treaty, the making of a separate peace treaty with Germany, and the development of a policy of hostility toward agreements regarding future action, was the adoption of the principle that the United States would recognize no connection whatever between Germany's payment to the Allied Powers of reparations for damage occasioned during the war, and the repayment of the loans made by our government to the Allies to enable them to prosecute the

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war in which we had become their associates. Despite the very obvious fact that the ability of those governments to repay these obligations to us necessarily depends very largely upon their ability to collect the amounts due them from Germany, Congress and the Executive have consistently asserted that there is no connection between the two sets of payments. None the less, on the suggestion of Secretary Hughes, a commission was formed to negotiate between Germany and her debtors, and from these negotiations came an agreement which gave substantial relief to Germany—the famous Dawes Plan, named after the American who served as chairman of the commission. While the United States Government disclaimed any part in the formation of this Commission, or any responsibility for its work, yet the 1924 platform of the Republican Party sought to derive credit for its accomplishments in the following declaration:

> A most impressive example of the capacity of the United States to serve the cause of world peace without political affiliations was shown in the effective and beneficial work of the Dawes Commission towards the perplexing question of German reparations.

In 1930 the work of the Young Committee (also named from its American chairman) received almost as much commendation, although it was not made the subject of Party congratulation in a national platform.

A year later, the condition of the world made it impossible for the American Government longer to escape direct intervention in the European situation. In June 1931, President Hoover, having secured a pledge of support from a large number of the members of both houses of Congress, declared a moratorium of a year in the payment of all international debts, in order, as he said,

> to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

In connection with this action, the President made the following statement of his position regarding German reparations and the debts of the Allied Governments to us. He said:

> Our Government has not been a party to, or exerted any voice in, determination of reparation obligations. We purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advance for war and reconstruction were settled upon a basis not contingent upon German reparations or related thereto. Therefore, reparations is necessarily wholly a European problem with which we have no relation.

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I do not approve in any remote sense of the cancellation of the debts to us. World confidence would not be enhanced by such action. None of our debtor nations has ever suggested it. But as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay, and it is our view that broad vision requires that our Government should recognize the situation as it exists.

This course of action is entirely consistent with the policy which we have hitherto pursued. We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one. It represents our willingness to make a contribution to the early restoration of world prosperity in which our own people have so deep an interest.

Congress, in the Joint Resolution of December 23, 1931, ratifying the agreements made by the President, went beyond him and declared it

to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner cancelled *or reduced;* and nothing in this joint resolution shall be construed as indicating a contrary policy or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

Beyond a general commendation of the conduct of our relations with foreign nations by President Hoover, no reference is made in the Republican platform to these acts.

The Democratic platform merely states:

We oppose cancellation of the debts owing to the United States by foreign nations,

which is precisely the position expressed by the President in the statement above quoted. It does not go to the length of the Congressional declaration against any *reduction.*

In connection with the moratorium on intergovernmental debts, President Hoover asked Congress to re-create the World War Foreign Debt Commission. It will be recalled that the negotiations to fix the amount of the indebtedness of the various Allied Powers to the United States, and the terms and conditions of payment, were entrusted by Congress to a Commission especially created by it; the powers of the Commission were sharply circumscribed by the Act, and no agreement modifying the terms of the settlements so reached was to be possible without Congressional approval. In recommending the re-creation of this body, the President stated that

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as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles, if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay.

He pointed out that it was clear that a number of the governments indebted to us would be unable to meet further payments in full pending recovery in their economic life; that it was useless to blind ourselves to the obvious fact; and, therefore, that it would be necessary in some cases to make still further temporary adjustments. He recommended, therefore,

in order that we should be in a position to deal with the situation . . . the re-creation of the World War Foreign Debt Commission, with authority to examine such problems as may arise in connection with these debts during the present economic emergency, and to report to Congress its conclusions and recommendations.

No action was taken by Congress in response to this recommendation, and the Republican platform is silent on the subject.

The Lausanne Conference, in July 1932, invited the League of Nations to convoke, at a convenient date and place, a conference on monetary and economic questions; and invited certain governments to appoint experts to represent them at that conference. It also resolved to invite the Government of the United States to be represented on the same basis as the governments of the other nations represented. Public opposition was at once expressed in this country to taking part in any such conference, if it were to consider the Allied debts, or the effect of tariffs imposed by the United States upon imports from other countries. The United States has now indicated a willingness to be represented, provided those subjects are excluded. Obviously, if the conference were to observe any such limitation, it would deal with only a part of the problem and would eliminate perhaps its most important part. The precise policy to be adopted probably will not be settled until after the presidential election. It is to be hoped that when that event is past, the United States Government may be willing to enter such a conference without reservations, and proceed to a full discussion of all matters affecting our international relations. No harm can be done to the essential interests of the United States by such a course, as no recommendations of the conference would bind our government unless and until approved by Congress.

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A readjustment of the Allied war debts on the basis of the capacity of the debtor nations to pay, in the light of the latest agreements between the Allied and the Central Powers, may well be reached without going to the point of cancellation. The moratorium agreements of June 1931 recognized, despite the protests quoted, the necessary interdependence of the reparations obligations and the war debts to the United States. The political force of the principle of isolation, adopted in 1920, obviously is diminishing. Sooner or later the inevitable logic of the situation will compel a candid study by the creditor nations, including the United States, of the effect upon their debtors' ability to pay of the capacity of *their* debtors to provide the needed funds. At a time when hard economic facts press closely upon individuals and nations alike, preconceived political positions will have to yield place to intelligent realism.

The national platforms of both the great political parties, adopted in June of this year, contain interesting divergencies from previously asserted position. While the Republican platform asserts that

> the Party will continue to maintain its attitude of protecting our national interests and policies wherever threatened, but at the same time promoting good understanding on the varying needs and aspirations of other nations and going forward in harmony with other peoples without alliances or foreign partnerships,

it also declares that throughout the recent controversy between Japan and China

> our government has acted in harmony with the governments represented in the League of Nations, always making it clear that American policy would be determined at home, but always lending a hand in the common interest of peace and order.

It further asserts that the American Government has taken the lead in applying the Kellogg Pact, following the principle that a breach of the contract, or the threat of a breach, was a matter of international concern, wherever and however brought about. It refers to this government's statement that it would not recognize any situation, treaty or agreement brought about between Japan and China by force and in defiance of the Kellogg Pact and declares

> this principle, associated with the name of President Hoover, was later adopted by the Assembly of the League of Nations at Geneva as a rule for the conduct of all those governments.

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This is the so-called "Hoover doctrine," which was referred to by Secretary Stimson in his address before the Council on Foreign Relations, above mentioned. The Republican platform speaks of it as having been adopted by the Assembly of the League of Nations as a rule for the conduct of all those governments. This is an inference from the endorsement there given to the action of the American Government in notifying Japan and China that it would not recognize any situation, treaty or agreement which might be brought about by means contrary to the covenant and obligations of the Pact of Paris. Important as this action was, it may reasonably be doubted whether it established a general rule for the conduct of all nations in all cases which might seem to involve violations of the covenants of the Pact. The implications of such a doctrine are far-reaching. Its application would require conference and specific understanding among the signatories. It is difficult to see how it would be applied practically, except through the machinery of the League of Nations. Indeed, the assertion of the doctrine involves the longest step yet taken by the Government of the United States towards practical membership in the League, whether formal or informal.

The orientation of the Republican platform is more toward coöperation with the League of Nations than that of the Democratic platform, which fails to mention the League. Both parties declare their approval of measures for the maintenance of the peace of the world, and specifically approve the Pact of Paris. But the significance of the positive action of the party in power cannot be disregarded.

Events have proved more powerful in the last few years than reiterated traditional principles, or the artificial methods of political expediency. Political parties employ temporary instruments for the advancement of their temporary interests; but in the last analysis nations realize their destinies more through what Bismarck called the *imponderables* than through ephemeral expedients of partisan advantage.

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FOREIGN TRADE OR ISOLATION?

By G. B. Roorbach

ONE of the remarkable phenomena of the world's economic life in the past few decades has been the way in which international commerce has grown by leaps and bounds. A hundred years ago the aggregate value of world trade was less than $2,000,000,000 or only $2.34 per capita; by 1900 it had increased tenfold, to over $20,000,000,000, or $13.00 per capita. With the dawn of the twentieth century, however, the rate of increase became even more rapid, and in the interval between 1900 and the outbreak of the World War it doubled, reaching a value of $40,000,000,000 or $24.50 per capita.[1] By 1929 the value of world trade had reached a total of over 67 billion dollars — more than $35.00 for every person on the face of the globe.[2]

This rapid increase in international commerce was, of course, a corollary of the industrial revolution. The increase in factory production in favored industrial sections, at first predominantly in Great Britain, created a demand for materials far beyond the ability of the local region to supply; and at the same time the magnitude of machine output required a market much larger than the local area had capacity to consume. This meant that to the trade in articles of skill and refinement, in goods of high value and small bulk, which for centuries had dominated international exchange, there was added the enormous volume of bulky foods and raw materials characteristic of present-day trade. The limited local economy of days before the industrial revolution was transformed with startling rapidity into a world economy in which the economic machine of each country was dependent more and more upon the smooth operation of the economic organization of every other country. The industrial countries grew and prospered under this division of economic activity, as did also the countries producing the foods and raw materials which were exchanged for the factory-made goods. Standards of living increased along with rapid increases in populations.

In the United States, the growth of foreign trade has followed in general the trend of the trade of the rest of the world. There was a gradual but not rapid growth of American exports following

[1] Day: "History of Commerce," p. 271.
[2] "Commerce Year Book" for 1931, vol. 2, p. 679.

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1830; a more rapid expansion from 1850 to 1873, when American cotton, foodstuffs, forest products and mineral exports came into increasing demand in industrialized Europe; a much less rapid growth from the depression of 1873 down to the end of the nineties; and then at the opening of the century a burst of exports which was still further stimulated by the war and, after a lull in 1920, carried on upward during the post-war boom. In 1929 exports from the United States were in value more than twice the value of pre-war exports and, after eliminating price changes, 70 percent greater in volume. The United States became the greatest exporter of all the nations in absolute amounts, although in per capita importance it was still behind the small industrial nations of Europe or sparsely populated agricultural nations such as Australia. The great advance in American foreign trade during the post-war period was in manufactured products. Although crude material exports had increased markedly in absolute amounts, and foodstuff exports also were larger, the great advances were in manufactured goods. In 1929 manufactured products made up 63 percent of the vastly expanded American exports as compared to 32 percent of our much smaller trade in 1900.

This period of expanding exports in the United States was, of course, also a period of tremendous increase in domestic trade. In fact, the growth of exports as a whole did not quite keep pace with the growth of production. This was due especially to the fact that farm products exported did not keep pace with the tremendous increase in farm production during the period. In the export of manufactured goods other than foodstuffs, however, a larger percentage of production was exported in 1929 (9.1 percent) than in 1900 (7.8 percent). In a country as large as the United States and with such diverse resources it of course is inevitable that the domestic market should absorb a large part of the total production. What is foreign trade to the small countries of Europe is domestic inter-state trade in the United States. But the fact that foreign trade takes so large a proportion as 10 percent of the tremendous production of the country is a factor of the very first importance to our industries and to our general economic prosperity.

Following the great depression that began in 1929, foreign trade of all countries suffered a great decline. The exports of the United States in 1931 were less than half those of 1929 in value

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although the marked decline in prices materially exaggerates the decline when value figures are used. For the first quarter of 1932, exports were 35 percent less than for the corresponding quarter of 1931 and 60 percent less than the five-year average, 1927–31. No other important trading country has had so great a falling off in its foreign trade, although the decrease is universally large.

The great slump in international trade during the last two and a half years raises the question as to the actual importance of foreign trade in the modern world and especially its future significance to the United States. Certain it is that the economic conditions favoring the flow of trade have grown steadily more and more adverse in recent years; and political action has made the barriers more and more insurmountable or impenetrable.

It has been suggested that the era of large foreign trade development characteristic of the past one hundred years has come to an end. The spread of industrialization and the growth of agricultural production in many parts of the world, the intense nationalism that seeks for each country economic as well as political independence, the multiplication of trade barriers through tariffs and other means until trade in some regions is all but eliminated — all these factors are pointed to as indicating a permanent growth of local economic self-sufficiency and a corresponding decline in international trade. The first phase of the industrial revolution, it is said, was one in which certain nations, having become highly industrialized largely as a result of an early start, of necessity traded heavily with those nations which remained producers of foods and raw materials; but now the world has become, or is in process of becoming, commercially equalized. There has been, so to speak, an economic "evening-up." As more and more nations develop efficiency in local production the reasons for international trade, namely the advantages of an international division of labor and the comparative gains growing out of the exchange of goods, become less important, particularly under the economic and political conditions of post-war nationalism. Certainly there is much to indicate that a leveling process of this nature is going on, fortified by the spirit of nationalism and artificially aided by high protective tariffs and other methods of trade control.

In the first place, there has been the spread of industrial, engineering, and agricultural science to all lands and among all peoples. No longer does a single country and a single people have

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a monopoly of the technical knowledge required for efficient production. England has sent her engineers and her machines to help establish new industrial plants in Japan and India and wherever there was prospect of profit. America likewise has lent her scientific agriculturists to the Argentines and the Brazilians to help them perfect their farming and pastoral industries and, in these post-war years, has sent her industrial managers to establish, direct and perfect all kinds of industrial enterprises in all parts of the world. Machines, men, patents, managerial skill, capital — all these have flowed out to the former undeveloped areas. Ideas and methods and inventions are universally exchanged. Even factories have migrated from old to new industrial countries. The old industrial countries have therefore been facing the competition of new countries not only in foreign markets, but in their own domestic markets as well; and often the old markets have been lost. In many cases, as in the former market for American shoes in Brazil, local production has come to supply almost completely the demand.

Furthermore, new technical methods and scientific discoveries have given new opportunities for the spread of industries in other countries and have lessened the dependence of certain regions for supplies that once were secured only by importation. For example, the perfection of new sources of power has given new opportunities for industrialization to countries without coal or with only inferior coal. This is illustrated by the expansion of the use of oil, the perfection of the internal combustion engine, the ability to use low-grade coal, and the improvements in the use of water power. Moreover, such developments as the manufacture of synthetic dyes, the production of artificial nitrates, and the discovery of rayon have given certain countries an opportunity to lessen their dependence on others for essential materials and thus to develop a more balanced domestic production. Obviously, the geographical extension of the areas suited for industrialization has been very great; and doubtless the process will be carried still further by new inventions.

Nevertheless, although these new conditions do operate to bring about the geographic extension of industry and agriculture, there is serious doubt whether this fact diminishes either the necessity or the volume of foreign trade. We shall discuss this subject in a moment.

The spread of industrialization into new areas, already begun

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before the war, for the reasons just mentioned, was greatly stimulated and hastened by the war. Many countries, shut off from their usual supplies and encouraged by the demand for war materials at exceptionally high prices, could and did develop industries and expand the production of raw materials to meet their own needs and even to export to the belligerents and to their neutral neighbors. Thus the textile mills of Japan and India and China took on a great activity during the war. India and Australia began the manufacture of iron and steel on a large scale. Brazil developed textile and boot and shoe production. Even the industries of older industrial countries like the United States were greatly stimulated by the prevailing conditions.

Furthermore, the war aroused a determination on the part of many countries, both belligerent and neutral, to conserve and strengthen at any cost the advances in diversified production already begun. After the war the determination to secure economic as well as political independence became an obsession of practically all nations, both new and old. Economic self-sufficiency was regarded both as an end in itself and as a means of securing and defending political independence. The chief instruments readily at hand for attempting to gain economic independence were protective tariffs. But the perpetuation of war-created industries by the use of ever-mounting tariff walls did not satisfy the new nationalism. Still other industries, often unnecessary and uneconomic, were created behind tariff barriers to complete the desired national self-sufficiency. Thus began the upward spiraling of tariffs, the establishment of import quotas, and the many other restrictions to foreign trade that multiplied as the post-war decade advanced.

There were also other incentives to set up high tariffs. In a period of widespread financial stress the nations laid hold of tariffs as means of increasing national revenues, to aid in balancing budgets, and to stifle imports in order to stop the outflow of gold. Tariffs were set up also to offset the results of war debt and reparations payments, obligations that could be met ultimately only by the export of merchandise by the debtor countries. But whatever the motive, tariffs as the chief agent of nationalism stimulated the building up of new industrial plants and the opening of new raw material sources in each individual country at the same time that they sought to lessen imports. Each country, acting independently, rushed the development

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of its productive equipment without planning, without giving thought to its ability to produce effectively, and without consideration of the world's consuming power. Each country sought not only to supply its own markets but to export as well. Produce all, export much, buy nothing — this appeared to be the slogan. The inevitable result was the expansion of production capacity and of production far beyond the world's ability to consume. There followed, as night the day, declining prices, a consequent lowering of buying power, and finally the general demoralization of trade.

To add to the difficulty, the ordinary effects of protective tariffs on trade (usually less important than generally supposed), were much magnified during the post-war period by the unusual situation resulting from reparations and war-debt obligations. The war debts themselves, as already mentioned, gave further stimulus to the move to bring tariff rates to super-high levels in order to prevent "debt dumping." This made debtor countries less able not only to pay their debts, but, since they could not export, less able also to buy the products of other countries. Foreign markets for the products of newly created industries therefore could not be developed. With imports cut off, exports automatically declined also. The situation was for a time relieved by the huge loans made by the United States to European countries — loans that so long as they continued kept up the flow of American and other exports. But when the sources of foreign lending dried up in 1929–30 the debtor countries rapidly ceased to import and the creditor countries ceased to export.

Furthermore, the monetary effects of the war debts greatly intensified the harmful results of excessive tariffs. Since the flow of merchandise for debt payments had been curtailed, gold was drained off in excessive amounts from the debtor to the creditor countries — especially to the outstanding war-debt creditors, the United States and France. The maldistribution of gold that followed resulted in a still further lowering of price levels; and the low price levels in turn added to the actual debt burden of the debtor countries (a 50 percent increase has occurred since 1928) and let loose the whole pack of monetary, exchange and budget troubles that finally in 1931 forced much of the world off the gold standard and demoralized the currencies and exchanges of nearly all countries. Currency depreciation in turn gave added impulse to still higher tariffs aimed against exchange dumping, and to

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restrictions on the purchase of exchange to help save national finances. Thus the vicious circle was further strengthened, and heavier and still heavier burdens were put on international trade as new and higher tariffs were imposed, as import quotas were set up, and as embargoes and restrictions on foreign exchange were multiplied.

The course of events during the post-war decade may be summarized, then, as follows: There was a tremendous expansion of productive capacity initiated by wartime industrialization; the process was continued after the war by intense nationalism operating behind the shield of high protective tariffs; it was sustained for a time by heavy lending by the United States; but it finally collapsed under the economic and monetary strains and stresses in the over-expanded edifice.

The development of productive capacity throughout the world at first was stimulating to foreign trade, especially to the export trade of the United States. There was an increasing demand abroad for equipment goods, first to rehabilitate the belligerent nations, and then to modernize plants and expand the industries, farms and mines of the neutral nations now bent on economic expansion, and to equip the new nations of central and eastern Europe which had set out to win industrial independence. Equipment goods, usually imported duty free even by the high tariff countries, were the very goods which the United States was particularly well prepared to supply. Industrial, mining and agricultural machinery; road building and construction equipment; store and office equipment; automobiles and trucks; all such merchandise was made in the United States under mass production methods and had been highly perfected by an inventive people. On the score both of quality and cost, the United States has superior advantages in the production of such material.

Furthermore, it was the United States that supplied the capital to finance the rebuilding and equipping of a world bent on increasing production. It did so with such eagerness that American capital flowed abroad in unprecedented amounts. As far as the United States was concerned, then, nationalism in combination with lending abroad very largely nullified for several years the restrictive effects of tariffs, and allowed the exports of the United States to advance from 1922 to 1929 to unprecedented peacetime heights.

Then came the collapse — first economic and localized, then

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monetary and world-wide. The world had been overbuilt to produce as a result of artificial stimulation and unplanned expansion; it now found itself caught in its own trade restrictions and unable to sell. Nations obliged to make large payments to foreigners on debts for which no productive enterprises had been created, were shorn of their ability to pay as soon as the United States ceased to loan. With the gold supply centered in two countries, with prices collapsing and with credit restricted, monetary and exchange problems were added to the economic difficulties. It is not strange that under these conditions depression swept across the world and that international trade was disrupted and demoralized. Nor is it strange that the foreign trade of the United States, built so largely upon the export of goods designed to equip the nations of the world with a new or enlarged productive plant, and upon foreign investments that so largely financed the equipment, should have been most severely affected when the crash came.

It would appear from this analysis of foreign trade after the war that the chief factors causing the declines in the movement of international goods were the commercial policies of protection and the trade restrictions imposed almost universally by governments seeking to become economically self-contained. The slump in foreign operating trade is not the result of the working out of economic factors under new conditions and bringing in a new period of national economic isolation; rather is it, in the words of the World Economic Conference of 1927, the result of "the hindrances opposed to the free flow of labor, capital and goods," in the effort to obtain self-sufficiency.[3]

Let us now stop to examine the economic basis upon which modern foreign trade rests. In the first place it may be said that the principles of foreign trade are fundamentally the same as the principles of domestic trade. Trade is an exchange of commodities between people. If the exchange is across an international boundary it becomes "international trade." But the same reasons, the same motives, even the same methods, are involved whether John Jones of Boston is trading with James Smith also of Boston, or with James Smith in Illinois, or with James Smith in England. This is commonly forgotten in discussions of foreign trade. The fact that trade is international often carries the idea that somehow it is different from domestic trade. There is supposed to be something about it that is mysterious, subtle, even dangerous to

[3] Final Report of the League's World Economic Conference, 1927, p. 12.

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national welfare; it is to be tolerated as a necessary evil, not promoted as a means of improving national well-being. This conception lies back of much of our tariff legislation and national commercial policies. But international trade is not between *nations*, but between *individuals* residing on opposite sides of a national frontier. This consideration is of the greatest significance in understanding foreign trade.

John Jones trades with James Smith, no matter where located, generally through a middleman or a series of middlemen, for either one or both of two reasons. John Jones is skilled in the making of some product — say textiles — and James Smith is most proficient in the making of tools. This simple division of labor makes exchange necessary and profitable to each if both are to obtain the best textiles and the best tools at the lowest cost in labor and money. Or John Jones owns a timber tract and James Smith a potato farm. The difference in the type of resources owned by the two again makes exchange of products between them both necessary and profitable if Jones eats potatoes and Smith uses timber in constructing his home.

What applies to John Jones and James Smith as individuals applies also to groups of peoples and to regions. Certain peoples have certain aptitudes or have acquired certain skills in the producing of specialized goods. The peoples of Asia Minor, for example, have a special skill in making rugs of artistic merit and fine quality; in the Thuringian Forest of Germany special aptitudes exist for making wooden toys; Americans appear to be especially proficient in the invention, production and use of labor-saving machinery. But what the different peoples do in different areas is not only a matter of skill, or aptitude or quality of artistic sense; it is also a matter of physical resources and environment. A certain section of the earth, by virtue of its resources, climate and situation, is well prepared to produce one kind of product; another section is equipped to produce another and different class or type of product. This is obvious in the case of tin production in Malaya and iron ore in the United States, of bananas in the West Indies and wheat in Argentina; it is less obvious but equally true in the case of industrial areas. Usually the character of one region's products reflects both the character of its resources — including climate — and the skills, experience and aptitudes of its people. These two factors — quality of resources and quality of people — act and react on each other and result in the "geographical divi-

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sion of industry." Just as the exchange of products between John Jones and James Smith, both in Boston, is to the mutual advantage of each, so the exchange between the citizens of different countries brings advantages to each country and increases its wealth and prosperity. It is obvious that if no such advantages were to be mutually gained there would be no need of trade, either local or international.

But, it may be said, the fact that the United States is so large and has such varied resources, that it is already to such an extent self-sufficient, is evidence that foreign trade need not be regarded as necessary or important to our economic welfare. It is, of course, true that no country, unless it be Russia, could dispense with foreign trade with less hardship than the United States. But a hardship it would be even to the United States. It is conceivable that the United States could be a world to itself; but it would be at the sacrifice of much that it now enjoys.

As a matter of fact, it is impossible to achieve self-sufficiency in the twentieth century world and at the same time maintain existing economic standards. No country is so large or so rich in resources that it can supply all its various industrial needs in this age of science and invention. Certain products occur or can be produced only in certain restricted areas. We cannot alter the geological distribution of minerals or the geographical distribution of rainfall and soils and water power, nor those combinations of advantages that give certain regions, like Central Europe or the northeastern part of the United States, superior advantages for industrial development. Even in regions generally similar in resources, there exist minor differences that give one region certain small but definite advantages over the other, either in cost of production or quality of product or both. And in the modern competitive world these small advantages are important and persistent.

The advantages of the regional division of industry and the consequent international exchange of goods become, not less, but greater with economic development and advancement. Even in the best equipped industrial countries the need of trade in industrial raw materials grows constantly with every scientific discovery and every improvement in technical method. A new development in transportation starts a demand for a new import material — rubber — and furnishes a new finished product for export — the automobile. Technical improvements in methods of steel

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and tinplate production send ships to the four corners of the world to secure necessary products — manganese and chrome ore, tungsten, nickel and vanadium, tin and palm kernel oil — all essential, none of them produced in sufficient quantities in the United States. The perfection of the telephone receiver alone has called to its aid eighteen or twenty import commodities from nearly as many countries.

The woolen industry no longer requires just wool. If cloth is to be produced in the exact quality to meet the demand of the consumer and the competition of manufacturers at home and abroad, many wools from many lands must be blended — wools from Australia, from the Argentine, from Scotland, from Wyoming. Cotton from the southern states no longer can satisfy the textile manufacturer. To American varieties must be added the special types from Egypt, from Peru, from China, in order to obtain the qualities of finished products desired and the economies demanded by competition. The shoes Americans wear are made from leathers dependent for their particular uses in the shoe on hides from Argentina, on goat skins from Europe, Brazil and Arizona, on calf skins from India, Germany and Chicago. These illustrations indicate how exacting are demands of modern industry. Such conditions of industry can be met only by international trade. There is no such thing as "independence" in modern factory industries. Foreign trade could be eliminated or even greatly curtailed only at the expense of progress and of the individual and collective welfare of American industry and the American people. The success of Gandhi's campaign in India to go back to hand spinning and weaving would not be a more backward step in the industrial world than would be the abandonment by the United States of international trade in favor of an isolated self-sufficiency.

The very fact that industry demands these imports in ever-increasing amounts and varieties itself makes possible and necessary an export trade. Exports must be created to pay for the necessary imports — and the more is imported, the more is exported. Trade feeds upon itself and grows.

As with raw materials, so with foods and manufactured goods. Industrial populations must be fed; peoples with increasing living standards demand more and better foods. Coffee and sugar and fruits flow in from the tropics; the grassy plains of the continental interiors where are grown the best and cheapest wheat are re-

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claimed for agriculture and add to the flow of trade. With spreading education and rising living standards, there is an increasing demand also for luxury goods and works of art. Silks and oriental rugs, the art goods peculiar to different peoples — jewelry and embroideries and novelties of all kinds — swell the total. These are the normal conditions. Tariffs and embargoes may temporarily interfere; patriotic slogans like "Buy British" may have some temporary and slight influence; but they do not alter the basic motives that lie at the bottom of all trade. With their profit and welfare at stake, individuals and industries will not willingly confine their business activities within narrow geographic limits. To abandon or curtail permanently the trade across international boundaries would entail such handicaps upon economic progress that it is inconceivable that an intelligent world would long endure it.

It is a principle of foreign trade that trade grows fastest between the most highly industrialized countries. Industrial Germany before the war was, next to India, the most important market for industrial England; and England in turn was Germany's chief market, taking 14.4 percent of all German exports. Very soon after the war similar relations were reëstablished. And yet these two countries are the most highly industrialized nations of Europe and the most intense rivals.

The highly developed industrial countries of northwestern Europe are by far the most important markets for the United States — not only for its exports of raw materials and foods, but also for its exports of manufactures. Nearly one-half of all our vast exports to Europe in 1929 were manufactured goods; and Europe for many years has taken more than twice as much of our manufactures as has South America. Japan has been feared as a rival of the industrial countries of the West, and is a growingly important competitor. But despite her growing industrialization Japan has been a rapidly growing importer of the products of the West. Japan's imports per capita increased from $4.41 in 1908 to $17.21 in 1923, a greater per capita increase than in any other country — and this during a period when the population was growing nearly a million per year. During this period every item of Japan's manufactured imports increased in quantity, with a slight exception in the case of cotton piece goods. Imports increased even more rapidly than exports. As markets these developing countries are more important than as competitors;

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and this applies to an old and established industrial country like England as well as to a new industrial nation like Japan.

The fact remains, however, that economic considerations have not been controlling in the formation of national commercial policies. Most attempts to moderate the excesses of nationalism and to call a halt to mounting tariff and trade restrictions have proved unavailing. Economic conferences, suggestions for tariff truces, proposals for customs agreements or unions — all have failed as yet to modify the restrictions that are throttling trade. And yet to bring about revival of trade there seems no alternative to removing existing barriers, the chief of which, of course, are tariffs.

National self-sufficiency is an idle dream. It is simply impossible unless we are prepared to sacrifice much of the advance already made in industry and in economic well-being. To turn back the hands of the clock would be to deceive ourselves; it would aggravate the disease, not cure it. National commercial policy must recognize the economics of the situation and act on it. Although the way out is beset with great difficulties in a world gone tariff mad, two major conditions apparently need to be met if the flow of trade is to be renewed and confidence restored. First, there must be a removal of the excessive trade barriers, principally through the modification of tariffs; secondly, there must be a reduction or cancellation of war debts.

For the United States, no application of sound theory and no experience in the economic history of nations can defend or justify the maintenance of our excessively high tariffs along with our position at the same time as the greatest industrial nation and as the world's greatest creditor. As an industrial nation we must import; and if we import we must export. As a creditor nation we must receive payments, if we receive them at all, in imported goods; and if we revive our lending, we must lend with an export of goods. However we look at it, foreign trade is imperative, unless we choose to abandon our present economic position and curtail our future growth.

The modification of war debts and reparations is not a question of legality or justice, but of expediency and common sense. The requirements of war debt payments are obstacles direct and indirect to the trade of the United States in several particulars. They relate to the United States particularly because payments find ultimate lodgment here and their influence on trade is far

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out of proportion to their actual size. Their presence is one of the prime factors sustaining the demand for high tariffs both in the United States and in other countries; they are perhaps the most potent basic cause of the maldistribution of gold and the currency afflictions that hold back sound recovery; the payment of them offers artificial competition in world markets to American exports; through their influence on prices, currency and exchange, they help to keep production costs low in Europe relative to those prevailing in the United States; they keep down the living standards of the peoples of the debtor countries; in combination with our own high tariffs and the high tariffs of the debtor countries, they encourage the establishment of American factories in Europe and thus develop American competition against America; they keep open the old sores growing out of the war and are a powerful factor in preventing the return of confidence and sane optimism. Modification or cancellation of them would help restore international credit and start again foreign investments which are now hesitant to embark on new enterprises.

It is impossible to visualize American business interests failing to participate in a large way in the future development of a dynamic world. Private enterprise, with capital, energy, initiative and experience at its command, will refuse to live in narrow isolation. Participation means international trade; and international trade cannot thrive under our present tariff systems nor in a world beset with the problems growing out of the war debts.

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TEN YEARS: RETROSPECT AND PROSPECT

By Walter Lippmann

IN POPULAR debates it is often made to appear as if men had it within their power to choose whether or not they will live in an international society. No such choice is open to any community of people. The most self-contained nation is only relatively self-contained: there is no nation which does not have interests vital to its prosperity and security that transcend its frontiers and elude its own sovereignty. The very fact that a nation sometimes feels compelled to proclaim a policy of isolation, and that parties within the nation have then continually to be vigilant to preserve the isolation, is in itself evidence that isolation is not the natural condition of civilized peoples.

Ten years ago, when this journal was founded, mankind had just been made acutely conscious of the need of more dependable international government. At Paris, in the winter of 1919, drastic reforms in the organization of international society were instituted and certain ideals were proclaimed towards which, it was hoped and believed, mankind would advance. The philosophy which inspired those reforms is often identified with the whole problem of international government, as if the particular set of ideas held by statesmen in 1919 offered the only possible answer.

But in the perspective of a tumultuous decade it is possible now to examine that philosophy and with the hindsight of experience to see how ephemeral were many of the cardinal ideas with which men tried to promote a better international order. Perhaps as good a way as any to begin such reëxamination of ideas is to recall the character of the Fourteen Points of Woodrow Wilson. They were intended to be the charter of the new order, and they provide an illuminating standard by which to measure the subsequent disparity between post-war ideals and the actual course of events.

Three major principles controlled the Fourteen Points. The first was that states which were homogenous in nationality would be politically satisfied and therefore diplomatically stable constituents of the new order. President Wilson was not by temperament or judgment a pure nationalist, as anyone can see by recalling that the Fourteen Points did not in their original form contemplate the break-up of the unity of Austria-Hungary. But

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events forced the issue, and the Fourteen Points as amended before the Armistice became an unqualified commitment to the principle of national separatism.

It must, however, be carefully noted that this principle was then regarded merely as a means to a larger end. It was not national independence as such that was desired but a stable society of nations in which irredentism had ceased to be a cause of agitation. The second great principle underlying the Fourteen Points was invoked to cure the obvious vices of separated nationalities. This was Woodrow Wilson's chief personal contribution to the general body of doctrines which bears his name. It was the principle of laissez-faire and free trade in the economic relations of national states. Woodrow Wilson saw quite clearly that the principle of self-determination accentuated the political separatism of states; he hoped that free trade and a general policy of laissez-faire would make political separatism inconsequential. In short, the new order was to be founded upon political nationalism and economic internationalism: the nations were to have self-determination as to frontiers and culture but were not to exercise this sovereignty in the realm of commerce.

On this foundation, the third major principle was established: it called for the creation of a new organ of international government consisting of a league of politically independent and economically interdependent nations. In one aspect this league was to be essentially a medium of communication and consultation and a convenient agency of coöperation in non-contentious enterprises; in its other aspect this league was to be a committee to deal with unexpected crises. The fundamental assumption was that such crises would be exceptional, provided the underlying constitution of the world was sound in the sense that nationality was politically satisfied and trade was free.

The past ten years have shown that it was not possible to make a map which would wholly satisfy national aspirations and that self-determination in politics plus national self-denial in economic policy was wholly at variance with the will of the peoples. Thus the constitution of the new order which the innovators at Paris envisaged has not come into being, and, as a result, the strain upon the League and upon all the establishments of international government has been greater than they expected.

Two divergent philosophies of internationalism have been precipitated. The one, adhering to the Wilsonian view, looks for

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progress by the repeal of obstructions in the international economy. The other, attaching itself to the idea of self-determination in economic affairs, looks for progress through highly organized international bargains and arrangements. Thus there is a party of international laissez-faire and of the old-fashioned liberalism; there is another party of international management, of politically planned relationships, which draws its inspiration at once from nationalism and from socialism.

The conversion of Great Britain to protection constituted a severe, if not a final, setback to the liberal internationalism of the Wilson era. It is now safe to predict that during the next decade the problem of adjusting nationalistic economies in a world economy will become the chief preoccupation of students of foreign affairs. For it is as certain as anything can be in such complex matters that the democracies mean to bring their economic arrangements under management and control, and that they will not, at least until they have tried the experiment, submit to what they regard as the awful hazards of laissez-faire. The democracies are in search of economic security and of some richer utilization of the potentialities of modern technology. They will attempt to manage and to plan. This means that they will enormously increase the scope of government and greatly intensify the dependence of the individual upon government.

As a consequence the subject matter of diplomacy will be correspondingly expanded, and a host of things which in the nineteenth century were left to the action of markets and to private trading will be arranged through diplomats. The older questions of frontiers and empires and strategic advantage will no doubt remain, and will be affected by the newer questions arising out of the effort to manage the commerce of the world. But the chief preoccupation will be with the attempt to manage politically the division of labor in the world economy. Of that prospect the commercial policy of Soviet Russia on the one hand and the imperial negotiations at Ottawa on the other are, it would seem, a sure indication.

It need hardly be said that the demands upon statesmanship will be complex beyond anything in human experience. For difficult as it is to manage human affairs on even the smallest scale, the modern world is so international that, if the people wish to plan and manage at all, they are inexorably bound to plan and manage within the limits of the whole world.

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PROGRESS TOWARD DISARMAMENT

By Allen W. Dulles

THE adjournment of the Geneva Conference marks a definite turning point in the negotiations for a general disarmament agreement and furnishes a good moment to take stock of the present situation in the light of developments since the war. The work of technical preparation has been carried on for slightly more than a decade. National points of view have been fully presented and publicly debated. It is now time for the decisions of a political character which will determine whether general measures of disarmament are possible in the present state of the world.

The fact that more than fifty nations were summoned to Geneva last February to conclude a disarmament treaty encouraged the public to believe that the leading military powers had agreed in principle. Hence there was a natural expectation that more would be achieved than proved to be practicable at this first session. To those who had followed the situation closely and who knew the lack of agreement on fundamentals, the resolution which the Conference adopted just prior to adjournment contained the maximum which could have been hoped for at this stage of the proceedings. It is a beginning which holds out the possibility of future accomplishment.

Before considering the work done at Geneva, we should review the events which led to the decision to proceed with disarmament negotiations despite this lack of agreement on fundamentals and despite the difficult and perplexing world conditions which existed when the Conference convened on February 2 last.

At the close of the World War it was taken for granted that some measure of general disarmament would, as a matter of course, follow the demobilization of the Allied armies and the disarming of Germany and her allies. The Treaty of Versailles held out conditional assurance of this and in 1919 no part of the Treaty caused less German opposition than the clauses which limited her own military force. In the covering letter transmitting its observations on the conditions of peace the German Government stated Germany's willingness "to proceed with her own disarmament in advance of all other peoples, in order to show that she will help to usher in the new era of the peace of Justice."

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The note added that Germany "gives up universal compulsory service and reduces her army to 100,000 men" and "even renounces the warships which her enemies are still willing to leave in her hands." This was contingent upon her being forthwith admitted with equal rights into "a genuine League of Nations," which should embrace all peoples of goodwill and "be inspired by a feeling of responsibility towards mankind and have at its disposal a power to enforce its will sufficiently strong and trusty to protect the frontiers of its members." This last proviso might easily be duplicated in quotations from recent French diplomatic correspondence as expressing the views of France concerning her own needs for security.

The decade after the Treaty of Versailles went into effect led to disillusionment. Reparations remained unsettled. The occupation of the Ruhr followed. Thereafter the growth of Fascism in Italy and later of Hitlerism in Germany, together with the maintenance of the Soviet régime in Russia, caused apprehension to France and her military allies. On the other hand, the increase in the prestige of the League of Nations and the results of Locarno furnished some alleviation of these fears, so that France felt justified in reducing her period of military service from three years to one year, though with this went a strengthening of the French professional army. Moreover, the aggregate military expenditures of the principal states, other than Germany, showed a considerable increase in the ten years following the war over what they had been for the corresponding period prior to the war. In fact, it is estimated that world expenditure on armaments increased from about two and a half billion dollars in 1913 to over four billion dollars in 1930.

While no real progress was being made in the reduction of land armaments during the post-war decade, the naval powers accepted drastic cuts at Washington and London, with the result that at the present time the leading navies of the world have been reduced to a point where further cuts could hardly be considered except as a part of a general program of disarmament. This fact is brought out in the disarmament plan presented by President Hoover, where for the first time an American proposal for the reduction of naval armaments is made conditional upon general measures of disarmament upon land.

The effect of the Washington and London Naval Treaties upon the development of the disarmament work can hardly be

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overemphasized. These achievements may seem relatively simple in retrospect; in fact they were revolutionary. The Treaty of Versailles had imposed restrictions on a vanquished foe. The Washington Treaty was a voluntary renunciation by the leading naval Powers of existing armaments and of their right to increase their naval force beyond prescribed limits. It showed that the limitation of armaments by international agreement was feasible; and the London Conference, by carrying the Washington principles still further, indicated that once an agreement is concluded, mutual reductions become easier. These agreements served to reverse the pre-war attitude that the scale of armament is solely a matter of national concern.

The limitation and reduction of land armaments, however, presented an even more complex problem than that of naval armaments. More nations were concerned, and the element of man power, and not alone that of material objects such as naval vessels, was a vital factor — and one extremely difficult to evaluate or to control by numerical or other restrictions. Small wonder that the preparatory work carried on at Geneva for the General Disarmament Conference was long drawn out.

It was under ever increasing pressure from Germany that this work progressed. Stressing the implications of the Treaty of Versailles that her disarmament was to be the prelude to a world-wide reduction of armaments, Germany insisted that the Disarmament Conference should meet promptly. She felt that she would benefit whether it proved a success or failure. Success would mean a reduction in the armies of her neighbors; failure would furnish added weight to her contention that the promises on which her disarmament had been based had not been carried out. France had meanwhile so committed herself to the idea of holding a conference that she was in no position to ask that the work of preparation be prolonged until conditions should become more propitious. As a result, the Conference met in February without the political agreement which was essential if full advantage was to be taken of the elaborate technical work of the preceding years, embodied in the Draft Convention which suggested methods of limitation but left in blank the scale of armaments of the various countries. To make matters worse, the state of actual if not legal war existing between China and Japan gave disarmament discussions an air of unreality.

In considering the results of the Conference we must take into

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account the difficulties of procedure with which it had to contend. More than fifty nations were represented; each was accorded full opportunity to state its views, and many did so on repeated occasions. The result was an extended public debate in which each nation was more inclined to suggest measures calculated to bring about the disarmament of its neighbors than to indicate publicly the maximum concessions which it was prepared to accept to achieve a common result. This debate may have served a useful purpose in focussing attention on the problems before the Conference but it did not furnish a good basis for arriving at the mutual sacrifices on which eventual success depended. Thus the first two months of the session were devoted to the presentation of the national views of the participating Powers, which were then analyzed, tabulated under headings according to their subject matter, and put on the agenda.

This work had a twofold result. It showed first of all that for the Conference as a whole to consider all the subjects and theories presented would require years of work; secondly, it showed that a majority of the states favored a method of disarmament which had not been taken into account in preparing the Draft Convention. This Convention had been based upon the theory of a numerical, that is to say quantitative, limitation of armaments. The first discussions at Geneva, however, stressed the idea of a qualitative disarmament — namely, that certain weapons particularly adapted to breaking down national systems of defense should be abolished. The principle of quantitative restrictions on the size of armies and the amount of war material was not abandoned, but it was proposed that these restrictions be supplemented by qualitative disarmament and the total elimination of specified types of arms and certain methods of warfare.

The Conference was driven to the idea of qualitative disarmament, as a necessary supplement to quantitative disarmament, by a variety of considerations. In the first place this theory had been applied to Germany in the Treaty of Versailles, which in addition to fixing numerical limitations had banned certain arms, such, for example, as the submarine, military aviation and heavy guns. It was also recognized that if there were to be solely a proportional reduction on a numerical basis, the relative security of states would remain constant. If, on the other hand, the means of defense could be strengthened by doing away with weapons which might particularly serve to break down frontier

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defenses, relative security would be increased through disarmament. Finally, the extreme difficulty of fixing numerical limits led the Conference to seize upon the idea of qualitative disarmament.

The first and certainly one of the important results of the Geneva Conference was thus the acceptance of the principle of qualitative disarmament and the agreement to apply it to heavy guns, tanks and military aviation. This means, in effect, that guns such as those which destroyed the forts of Liége and Namur in 1914 and facilitated the German entry into France would be banned, along with heavy tanks and aircraft suitable for long range bombardment. It is only a start; but it is a start in the right direction, and if this principle can be developed the result should be to reduce a state's power of attack and make sudden aggression, such as that of 1914, a much more risky undertaking.

In addition to adopting the principle of qualitative disarmament, the Conference, in the final resolution, reasserted the principle of quantitative limitation as applied to various types of arms. Indeed, one of its most important decisions was that which registered agreement upon "a strict limitation and a real reduction" in the size of standing armies. Here the Conference was getting at one of its major problems, since qualitative limitations or attempts to humanize warfare can hardly be adequate unless coupled with an effective limitation and reduction of the basic element of land warfare, namely, the trained soldier.

It is true that these and certain other decisions of the Conference were decisions in principle and that the exact manner of application remains to be determined and figures are still lacking; but this is not surprising when one considers that out of the almost six months during which the Conference was in session only about three weeks were devoted to actual negotiation — one week in April during the visit to Geneva of Secretary Stimson and Premiers MacDonald, Tardieu and Brüning, and two weeks just prior to adjournment, when the termination of the Lausanne Conference permitted Premier Herriot, together with his Ministers of War, Air and Navy, to meet at Geneva with the British Foreign Secretary, Sir John Simon, seconded by several members of the British Cabinet, and the members of the Italian, American and other leading delegations.

It is only by such consultation between France, Great Britain, Italy, Japan and the United States (which, together with Russia, account for approximately two-thirds of the world's expenditure

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on armaments), that the work of the Disarmament Conference can be carried forward to concrete conclusions. If such consultations fail to find the formula for the definite application of the principles accepted in the final resolution of the Conference, a further meeting of the fifty states would be futile. This statement does not mean that the other Powers are not both useful and necessary parties to any general treaty; it merely takes account of the fact that they are not called upon to make any substantial sacrifices. The same applies to Germany and her former allies. As for Soviet Russia, her agreement to any real measures of disarmament should follow if one can accept as final the statement of M. Litvinoff that the Soviet Government "was prepared to agree to complete disarmament, partial disarmament, quantitative disarmament and qualitative disarmament. It was prepared to go any length in the direction of disarmament." Eventually the South American disarmament problem might be treated as a regional matter, since the scale of armaments there does not influence armaments elsewhere in the world. As for the Sino-Japanese situation, if we must wait for the restoration of peace and order in the Far East before proceeding to some measures of disarmament, our present task would be hopeless.

At the moment France holds the key to the disarmament situation on land and in the air. It is useless to adopt resolutions or find formulas that satisfy nine-tenths of the nations of the world if France remains outside. With her allies she dominates the military situation of Europe. She considers, and quite understandably, that her present military situation gives her a large degree of security; she will be reconciled to any change in this situation only by some counter-balancing step which would maintain the relative security which she considers she now enjoys.

Security and disarmament have generally been considered as mutually exclusive ideas. To justify each reduction in armaments, the European nations have looked for some equivalent measure of protection elsewhere, such, for example, as treaties of alliance, the strengthening of the League machinery, consultative pacts, or treaties of mutual assistance. The original Tardieu plan for an international force was based on the same conception. The position of France and certain other European Powers, as stated very frankly at the Conference, was that under present conditions only modest steps towards the limitation of armaments were

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possible, and that more far-reaching measures should await the further international organization of peace.

For a time this attitude seemed likely to block the road to any real results at the Conference. But shortly before adjournment, and following the new incentive given the Conference by President Hoover's proposals, a new approach to the joint problem of security and disarmament was sought. The idea was developed that the disarmament treaty must be of a character to increase rather than diminish the security of the states which were a party to it. This might be accomplished in several ways. It might be done through qualitative disarmament, that is, by depriving all states of peculiarly aggressive weapons, bombing planes, large mobile guns, etc., while permitting the strengthening of permanent fortifications for national defense; or through a controlled disarmament, that is, by providing for an effective international disarmament commission which would make the scale of armaments a matter of international concern; or, finally, by marshalling world public opinion and the peace movement in every country in support of the specific measures of limitation and reduction set forth in a treaty. On this last point it is pertinent to emphasize that the weakness of the efforts of the peace societies and popular disarmament movements lies in the scattering of their efforts and the diversity of their aims. Often they strive to achieve results which lie well beyond the range of what is practical or wise at the present time, so that they are of little real aid to the more cautious but generally sincere partisans of reduction in armaments often to be found in responsible positions of government. But if the governments could give expression through an international treaty to even modest measures of arms limitation, this would furnish supporters of the peace movement in every country a common objective, namely, the maintenance and development of the principles of the disarmament treaty.

But these are not the only considerations which can be advanced to show that measures of disarmament can increase security. France, for example, has two serious military preoccupations, Germany and Italy. Germany has served notice that unless her thesis as to the "equality of rights" in the matter of armaments is recognized she will refuse further collaboration in the Geneva negotiations. This means, in effect, that Germany is endeavoring to prepare a basis for the denunciation of the military clauses of the Versailles Treaty. It is not understood that Germany

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is asking armaments equal to those of France, or anything approaching this, but that the disarmament treaty which may fix the scale of French armaments should also fix those of Germany, and that the general clauses of the treaty should apply equally to the two countries. It is not worth while to discuss here whether or not Germany under the Treaty of Versailles has any legal right to take this position. We are faced with a practical situation of the utmost seriousness for the peaceful development of Europe — the one, now that the reparation issue is sidetracked, which raises the most critical political questions affecting present Franco-German relations.

There seems only one solution, and that is through a general disarmament treaty under which France and Germany both agree upon the scale of their armaments. To take such a step would involve a difficult decision for France, but to the outside observer it certainly seems that France would increase her security if she could now obtain the voluntary agreement of Germany to a disarmament treaty which fixed for a period of years the scale of German armaments on approximately the present basis and to which all the leading nations of the world were parties. The alternative appears to be an open breach, with Germany claiming freedom to arm to whatever extent she chooses. Further, France now has a golden opportunity to prevent or limit the construction of certain types of arms which Germany with her extraordinary industrial development might at some future date, if freed from the Versailles restrictions, be able to construct in greater quantities than France. Take submarines, for example. If France could bring herself to join England and the United States in advocating the abolition of the submarine that weapon would in all likelihood be doomed. And once it had been abolished by treaty Germany would hardly dare in the future to propose that its construction be resumed. Looking ahead twenty or thirty years, is there not reason to believe that France would be in a much better position if there were no submarines in the world?

Let us turn now to the Franco-Italian problem. Here too a disarmament treaty could help to increase the security of each. A limitation of the number of men under arms would help protect France from the menace of a progressive increase in the Italian army — an increase which might be much greater in Italy than in France because of the more rapid increase in the Italian population. At the same time, a limitation upon materiel of war,

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particularly of heavy guns and bombing aviation, would give Italy a feeling of greater security for her industrial centers, which are located close to the French frontier.

If these lines of argument can prove that through the years disarmament may well promote and not reduce security, a large step will have been taken towards meeting the entirely legitimate insistence of all countries that their national security must be their first consideration in judging of any program which reduces the present scale of their armaments. This idea is gaining headway. The resolution adopted at Geneva is only the lowest common denominator of what was deemed to be possible eventually, and is by no means the last word as to what might be realized through negotiations during the coming months.

In order that no increase in armaments should meanwhile occur to disturb these negotiations, the Conference proposed that the armament truce adopted last year on the initiative of the Italian Government should be prolonged for four months from November 1, 1932. While an indefinite prolongation of the truce would probably prove impracticable, a qualified truce applicable to the replacement of certain types of armaments might well be considered. For example, it might be possible to agree that for the period of the proposed disarmament convention certain arms (such, for example, as heavy guns, tanks, certain types of military aircraft and the like) should not be constructed. This theory has already been applied to battleships, with the result that for more than ten years not a single battleship has been laid down, nor can any be laid down by Great Britain, Japan or the United States until 1937. Governments which hesitate to throw away arms which they have recently constructed at great cost and upon representation to their people and their parliaments that they were necessary to national defense, might welcome a truce in the new construction of certain costly arms if the principle were of world-wide application. A measure of this nature might usefully supplement any agreement which can be reached for immediate scrapping. We can conceive of certain types of arms gradually becoming obsolete, and the passage of time would become the ally of disarmament. It would be unnecessary to establish ratios between countries for those weapons which time would eliminate from the armaments of all countries; and, after all, the most difficult problem we have to face is to fix various levels of armaments for different countries.

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While the passage of time may prove a helpful factor once a treaty has been concluded, the indefinite prolongation of negotiations for a treaty may actually serve to keep up the level of armaments. As long as negotiations are in progress, the various states concerned are reluctant to take any voluntary measures to reduce their military forces, for fear that it will prejudice their position in the negotiations and that they may later be asked to effect further reductions from the lower levels of armaments which they have freely accepted. The story is current of a state which had an obsolete warship which the naval authorities were about to scrap as a matter of routine. This fact only reached the political branch of the government just before the sinking of the ship. Orders were at once sent to delay the operation, as to sink the ship would prejudice pending discussions with other governments regarding a basis of naval limitation. Whether the story is true or not is immaterial; it undoubtedly represents a state of mind which actually exists. Many countries will strain their financial resources to keep up their armaments until they know what treaty limitations may be agreed upon.

If general measures of disarmament are ever to be actually adopted — and who are better qualified to carry on this work than the present generation of political leaders, all of whom have personally experienced, in one form or another, the horrors of the World War? — some further progress should be made now, despite the disturbed international situation. The cost of past wars and the preparations for defense against future wars account for about 75 percent of our Federal budget. Other nations which participated in the World War are similarly burdened. There is little that we can do to relieve ourselves of charges resulting from the past, but as a result of the depression every government is under the strongest possible pressure to reduce present military budgets.

The test will come when the Conference reconvenes six months hence. Meanwhile the steering committee is to meet to prepare for this second session. The machinery for carrying on the negotiations remains intact, principles have been adopted and definite objectives set; but it is useless to try to persuade ourselves that anything will be accomplished merely by convoking the representatives of more than fifty nations to continue discussions. The first session of the Conference justified itself by laying a groundwork for a treaty, by bringing public opinion to

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bear upon the governments of the world, and by securing almost unanimous acceptance of the method of attacking the problem. The second session can justify itself only by reaching concrete agreement. The way for this must be prepared in advance. Failure to do so would mean certain disaster and leave the situation worse than if there had been no Conference.

This brief summary of the results of the Geneva negotiations and of the prospects for the future would be incomplete without a reference to the particular relation of the United States to the problem. The prominent part which the United States took, especially during the concluding days of the Conference, was puzzling to our European friends, some of whom had hoped that the quiet and rather inconclusive tenor of the debates could continue until a more propitious time for action arrived. Our interest in naval questions was, of course, fully understood; but the European Powers and Japan hardly expected that naval questions would be raised in concrete form at this time, and hence the proposals of President Hoover came as somewhat of a surprise.

The reasons for advancing the American proposals are now more generally appreciated, as is the fact that without them the Geneva Conference might have terminated with meager results and without having fixed any objective for the future. The presentation of the proposals served a variety of purposes. The European Powers had been seeking the collaboration of the United States in the work of disarmament and the United States had repeatedly indicated its willingness to assist in any *real* measures. The President's proposal therefore served the purpose of outlining the type of reduction and limitation which the United States felt essential, and permitted the inference to be drawn that in trivial measures the collaboration of the United States could hardly be enthusiastic. The proposals also furnished an opportunity to disclose that we were not merely asking the land Powers to reduce their armaments but were prepared, simultaneously, to accept drastic reductions in our own naval strength and in guns, tanks and aircraft. In many quarters the disarmament proposals of the President have also been linked to the question of intergovernmental debts, although no statement from any American government authority has suggested any such connection. After we have consistently maintained the theory that reparations and war debts were not legally interrelated it would hardly become us to establish any formal relationship between armaments and debts.

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Nevertheless, if we drop legal considerations and look only at the practical side of the problem we must recognize that there is an inter-play between all three problems. This is realized on both sides of the water. The fact that certain European Powers are not receiving reparation payments certainly has some influence upon their ability to pay their debts, though none upon their legal liability for such payment. Similarly, an agreement for limitation of armament would help to dispel the widespread impression in this country that for us to accord debt relief would merely shift European budgetary appropriations so as to bring about greater expenditure for armaments. Thus President Hoover's proposal has served to interpret to the world the steps which the American people hope can be achieved to consolidate all the efforts which have been put into the task of disarmament in the post-war period.

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THE LEAGUE OF NATIONS: SUCCESSES AND FAILURES

By Eduard Beneš

AS AN accompaniment of the economic and financial crisis the world has been afflicted with a general political unrest and an increase of mistrust and uncertainty in international relations. In this situation public opinion everywhere has turned its critical attention to the League of Nations, founded twelve years ago for the purpose of combating just such tendencies, and to promote international coöperation and safeguard peace. The question being asked is: What has the League of Nations done, what is it doing, to alleviate the crisis and help towards a solution of the world's urgent and complicated problems? The question is often asked skeptically, implying adverse criticism of the League's activities and doubt regarding its prospects.

In my opinion, criticism of what the League has done is necessary and useful; but to be as useful as possible the criticism must be discriminating. We must recognize frankly and fairly what the League has accomplished and what are its assets; we must make just as frank an appraisal of the respects in which it has not fulfilled its mission so as to decide fairly what constitute its liabilities.

I. THE MISSION OF THE LEAGUE

The general objects for which the League of Nations was founded in January 1920, and the hopes that attached to it, are well known. Exasperated and horror-stricken at the fearful sacrifices entailed by the World War, at the blood spilt and at the moral as well as the material damage, mankind demanded the ending of that period in the world's development in which war was considered a normal political instrument for the settlement of international disputes. The introductory words of the Covenant stress the League's foremost object — to promote international coöperation and to safeguard international peace and security.

In addition to these moral reasons there were also economic and political reasons why it was necessary to make a tremendous effort to establish a sound basis for future peace and security. But the moral reasons, which matured naturally in the spiritual atmosphere prevailing at the end of the war, were the most

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powerful. One principle settled firmly by the war was that democracy and racial and social justice should replace the obsolete political organisms hitherto tolerated in many parts of Europe. It goes without saying that once such a principle had been accepted there no longer was any place for international policies based on the military or economic supremacy of any Power or of any one social class, or for the periodical equalization of the military and material forces of rival Powers by means of violence, or for military and other secret treaties, or for armed peace. In other words, the idea of an international organization for the purpose of peace and order was only a logical consequence of the sovereign ideas which brought about the political reorganization of large parts of Europe and of the world during the years 1917, 1918 and 1919.

The twenty-six Articles of the Covenant are evidence that the nations which decided in favor of the new policy foresaw correctly what was necessary to realize it. They saw that it was necessary:

1. First and foremost, to accept and to maintain the obligation never wilfully to resort to war, thereby renouncing one of the most important and far-reaching rights of sovereignty, and to recognize the necessity of reducing national armaments to the lowest point consistent with national safety.

2. As a logical consequence of the first obligation, to accept and maintain the obligation to submit all international disputes likely to end in a rupture to arbitration, or to the Permanent Court of International Justice, or to the Council of the League for inquiry and award, as well as to respect the verdicts and recommendations of those organs.

3. And finally to accept the far-reaching obligation to maintain international peace solidarity, *i.e.*, to respect the territorial integrity and political independence of all states members of the League, and even to preserve and protect this integrity and independence against external aggression, and to view any resort to war in disregard of obligations under the Covenant as an act of war against all other members of the League, and to participate in subjecting the offending state to all the "sanctions" provided for in the Covenant.

With these three fundamental obligations must be mentioned one fundamental guarantee to all the members of the League. No state which is a member of the League is considered to have renounced its sovereignty fully. In other words, the League in its

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present form does not pretend to be a super-state, and in negotiations and in reaching decisions unanimity is required. At the same time the theoretical equality of all nations, great or small, is duly respected, although quite justly the Great Powers are assured predominance in practice, corresponding to the far greater measure of their duties and responsibilities in the management of world policy.

In short, in establishing the League of Nations the world made a bold effort to safeguard peace and create a basis for developing international coöperation. By means of a sort of voluntary social contract between civilized nations it attempted to transplant into the sphere of international relations those principles of a democratic legal system known in the sphere of internal national order.

II. THE LEAGUE AT WORK

What testimony do the years which have elapsed furnish concerning the success or the failure of this attempt? In trying to answer that question, we must bear in mind that during this period mankind has confronted the most difficult tasks in its history, and that the principal aim — the establishment of peace — involved a revolutionary change in the methods of foreign policy and a complete overturn of the world's existing political thought and action.

Before the war the foreign policy of all countries was as a rule egoistic and self-centered. It was determined by national interests or by the interests of some particular class. Even if on special occasions some statesman showed that he was conscious of the solidarity of all mankind, his action never progressed to the point of acquiring the form of general political organization. Decisions of war and peace, and the free use of national forces, were considered the most important prerogatives of national sovereignty, and were untouchable. The new policy, as formulated in the text of the Covenant, demanded from signatory states that they should realize that none of them is alone in the world, and that each forms a component part of the international commonwealth; that the particular interests of each must be brought into harmony with the interests of others; and finally that there are certain moral and material interests common to all nations, and that to secure these each must resign certain of its sovereign rights. And I wish to emphasize this point: it was not only a question of understanding these principles, but of actively coöperating

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and participating as members of the League in establishing and preserving them.

The fulfilment of this conception was not made possible by the mere signing of the Covenant. Success was conditional upon a complete transformation of existing traditions in the sphere of foreign policy, upon the political education of the wide masses of electors in all countries, and upon the development of a new mentality in political parties and parliaments. This is a process requiring the conscious effort of the best spiritual leaders of each nation, and requiring much time and vast patience.

For this reason it is not possible even now, after several years, to pass a definite verdict on the League. All that is possible is to point out what has been achieved, the stages through which the struggle between old and new political methods is passing, and how this struggle is reflected in the League's successes and failures. Any estimate of the League can still have only a provisional and relative character.

III. THE ROLE OF THE LEAGUE IN ORGANIZING PEACE, ORDER AND SECURITY

To carry out the aim of safeguarding international peace, order and security the Covenant imposes upon League members the obligation to abstain from waging wars to settle disputes with one another, and instead to settle them by peaceful means; and it entrusts the organs of the League with the task of adopting suitable measures, in case of aggression or a threat of aggression, to uphold the said obligation. Thus the Covenant provides not only that the League shall act as conciliator, but in certain events also as judge, and sometimes even as policeman. It further explicitly imposes on the League the duty of preparing a plan for disarmament compatible with national safety, and of insisting on and supervising the systematic and gradual reduction of national armaments.

The Covenant, having imposed on members of the League the obligation not to conclude any treaties or enter into any engagements inconsistent with its terms, gave the League the right and duty of inspecting all international treaties. Thus Article 18 stipulates that every treaty or international engagement entered into by a member of the League shall be registered with the Secretariat and shall be published by it as soon as possible. No treaty made by a League member is binding until so registered.

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If we try to answer the question how the League of Nations has carried out these various functions we must turn first to its efforts to provide and strengthen appropriate pacific instruments. Here the Permanent Court of International Justice plays an important part. Its work is complemented by the League's systematic efforts to insure that the idea of arbitral tribunals and of commissions of arbitration shall be definitely recognized and adopted, and that model types of arbitration and conciliation treaties shall be prepared for any member wishing to make a treaty of that sort. In this field the League has accomplished wonders. The gist of this work is embodied in the so-called General Act (prepared in 1928 by the Security Commission of the League), which also contains a collection of specimen treaties. Nor must we omit to mention the effort to complete an examination of the theory of all forms of peaceful arbitration procedure (good offices, mediation, etc.) possible on the basis of the various Articles of the Covenant, and to investigate how these procedures might be extended and improved. These discussions, even when they result only in unfinished projects, such as the project for bringing the Kellogg Pact into harmony with the Covenant, are not devoid of interest and importance.

In a survey such as this we of course should concern ourselves more with practical accomplishments than with developments of theory. But the work which I have been describing did have many practical results.

In the first place, the importance of the concrete work for peace accomplished by the Permanent Court is beyond all dispute. The verdicts which it has given on actual disputes brought before it, either in virtue of international treaties or at the instigation of the Council, as well as the recommendations which it has made in individual cases at the request of the Council, are highly important acts in the cause of peace. The authority of the Court has become a living factor for peace, recognized as such by many nations, who by accepting the facultative clause have obligated themselves to apply to the Court for a solution of most international disputes of a legal nature.

Also of great practical political importance are the League's efforts in the field of arbitration and conciliation. The latest volume of treaties of arbitration, conciliation and guarantee, published periodically by the Secretariat of the League, enumerates about two hundred treaties, testifying to the extent and

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popularity of the new international political methods. The effectiveness of the treaties remains to be seen, because few of them have so far received practical application. That very fact, however, is proof that the existence of these treaties, binding the signatory nations to pursue a pacific policy and to apply peaceful methods to the settlement of disputes, acts as a powerful brake on international conflicts and as an important factor for peace.

Public opinion does not deny the League's useful rôle in extending the idea of arbitration, though often it fails to appreciate it fully. Rather, real criticism usually is directed at the League's efforts to solve specific conflicts. Actually, the League's record is a creditable one in this respect. True, many of the conflicts which it took in hand grew out of the work of reconstruction in Central, Eastern and South-Eastern Europe — in other words, the questions involved were part of the epilogue of the Great War and almost all concerned small or medium-sized nations. But if this circumstance gave the League a certain advantage, a further fact must not be forgotten — that these questions came up for settlement at a time when the League had only just begun to formulate its procedure, to try out its methods, and in general to build up its authority.

The record of disputes settled by the League includes several which came before it early in its existence. I shall mention only the chief ones. First let me recall the dispute between Finland and Sweden over the *Åland Islands*. This dispute, which was a real menace to peace, was settled by the Council in June 1921, with the aid of a special commission of legal experts and of a commission of inquiry. The sovereignty of Finland over the islands was recognized, but Sweden was given a guarantee that they would never be used as a fortress, that they would be neutralized, and that she should receive certain rights in them through a special autonomous statute. This solution was accepted by both parties. In the Polish-Lithuanian dispute over the town of *Vilna*, which broke out in the autumn of 1920, it became the task of the Council to avert war between the two countries. Although hostilities had really already begun, the Council, aided by a Military Commission of Control, established neutral zones within the disputed territory and thus did in fact prevent a war. That achievement remains, even though the Council failed to bring about a settlement acceptable to both parties of the question of Vilna itself. Another service to peace was the solution of the

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question of the partition of *Upper Silesia*. In the spring of 1921 the dispute had grown to such proportions that it might easily have led to open hostilities between Poland and Germany, as well as to serious dissensions between the Allies. The Council carried out the partition of the disputed territory with the greatest possible regard for the results of the plebiscite, and made permanent peace in that part of Europe more likely by imposing on each party, through a special Convention, the obligation to respect the minorities remaining under its control. Also of importance was the work of the Council during the post-war consolidation of *Albania;* during the solution of the *Memel* question; and in the adjustment of frontiers between *Poland* and *Czechoslovakia* (the question of Javorina), between *Czechoslovakia* and *Hungary* (the question of Šalgo-Tarjan), and between *Jugoslavia* and *Hungary*.

The League of Nations also was active in cases which did not arise from territorial changes due to the World War.

The conflict which arose between Greece and Italy in August 1923 following the assassination of the Italian members of an Inter-Allied Boundary Commission on Greek territory was one of the most interesting and important cases in this category. Italy sent a strong note to the Greek Government demanding instant satisfaction, and as the Greek Government refused all responsibility for the incident and consequently rejected some of the Italian demands, Italy resorted to military operations and occupied the island of Corfu. The case, brought before the Council at the request of Greece, was extremely difficult. Not only was one of the parties to the dispute a Great Power which from the beginning had had a representative on the Council, but also it was just this party which refused to recognize the competence of the League in the matter by pointing out that the Conference of Ambassadors had jurisdiction and by asserting that the occupation of Corfu was only provisional, that it was meant only to guarantee the payment of reparations by Greece, and that it did not and could not endanger peace. The Conference of Ambassadors itself took the load off the shoulders of the League by declaring its willingness to solve the conflict; and in the end the conflict was actually settled by the Conference. Nevertheless, the thanks of those who were anxiously watching to see how the League would face this test went out to the Council for not having flinched and for the strong determination which it evidenced

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not to allow the conflict to be settled by other than peaceful means. In principle the Council upheld its right to deal with every sort of dispute which could lead to war.

An example of direct initiative by the Council on behalf of peace was given during the conflict which broke out between Greece and Bulgaria in October 1925, following the shooting of a Greek frontier sentry by a Bulgarian sentry. The dangerous nature of this incident was illustrated by the fact that the Greek Government at once issued orders that its third Army Corps should invade Bulgarian territory. The Council, summoned at the request of the Bulgarian Government, took immediate steps not only to prevent hostilities, but also to settle the case by instituting an inquiry and by stipulating the measure of satisfaction which Greece had a right to demand from the Bulgarian Government.[1]

The conflict between China and Japan, brought to Geneva on September 18, 1931, and still under consideration, is without doubt the most serious matter with which the League of Nations has yet been confronted. There is no use in denying that it represents a certain crisis for the League. Pleading the necessity of intervening to maintain its interests amid the chaotic and uncertain conditions prevailing in China, a Great Power resorted to military operations. Though this Great Power had been a member of the Council of the League from the beginning, the procedure which it adopted represented a revival of methods which are not the methods of the League. Complicating the question, too, is the fact that the parties to the conflict are the largest Asian nation and the Asian nation which is politically the most powerful; also the further fact that the conflict is taking place in an area in which the vital interests of a third Great Power are affected (*viz.* of the British Empire), as well as the interests of two other Great Powers which are not members of the League (*viz.* the United States and Soviet Russia). In other words, the League is confronted with a problem of truly world significance.

During its earlier efforts to deal with this conflict the League, supported by the United States, accomplished something. After a few weeks of open warfare it become possible to arrest the firing of guns and cannon, the Japanese troops were at last recalled from the territory of China proper, and a number of disputed questions were transferred to the sphere of diplomatic negotia-

[1] I should perhaps mention at this point the successful intervention of Aristide Briand, as President of the Council, in the conflict between Bolivia and Peru in 1930, which in the end led to a peaceful settlement of the whole dispute.

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tion. The League demonstrated that it is a moral factor in the cause of peace which no Great Power can afford to ignore.

At the same time it is necessary to emphasize that the success of the League of Nations in this case — as far as we are in a position today to judge — was only a partial success. The whole procedure adopted by the League was too protracted, it was not able to prevent the actual outbreak of hostilities in which serious losses of life and property occurred, it has not been able to restore the whole political situation as it existed before the conflict, and it has left the organs of the League confronted with the serious task of arranging an honorable settlement of the new situation growing out of the creation of an independent Manchuria under the direct influence of Japanese policy and under Japanese leadership.

Although a friend and adherent of the League of Nations, I am constrained to admit openly that in this flagrant case the Geneva institution has not mustered up sufficient courage to call certain events and actions by their proper names and to resort to the application of appropriate articles of the Covenant. It tried to avoid, and actually did avoid, carrying out the sanctions which in this case were justified, and it refrained from using all the forces and methods appertaining to sovereign executive power more than was necessary and more than was profitable not only from the point of view of a just and speedy settlement of the whole conflict, but also from the point of view of the reputation and authority of the League itself. The fact remains that the case between China and Japan has been solved neither by the Council nor by the Assembly. About the time this study appears in print there will be a meeting of the competent Commission, consisting of nineteen members, to hear the report of the Commission of Inquiry which was sent to Manchuria and which will prepare definite proposals to lay before the Assembly.

The situation of the League will certainly not be easy if the report recommends the non-recognition of the existing state of affairs in Manchuria. What answer will Japan then give? And what answer will be given by Geneva if Japan announces that it does not intend to change its policy? Assuredly there are many of us in Geneva who will uncompromisingly defend the authority and the prerogatives of the League of Nations. This means that a serious crisis of the whole institution cannot be averted. It will be a great trial of the League's strength and authority. I consider

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that the League will never be able to recognize a state of affairs created by methods not countenanced by the Covenant.

Despite our anxiety over this grave case, we must not be led into minimizing the activities of the League as the guardian of peace, or its theoretical work to improve the machinery for the peaceful settlement of disputes, or its record in the practical cases in which it has taken either a direct or indirect rôle, or its general propaganda in behalf of the idea of peace, which is implied in its very being and in all its activities.

Take, for example, the growth on all sides of the moral conviction that violence as an instrument of international policy should be abolished and that war is a crime. The well-nigh universal signature of the Kellogg Pact shows that this conviction is penetrating even official circles and is becoming a dominating axiom in the foreign policy of countries. That in itself represents an enormous progress over the pre-war mentality. The old military conceptions and methods are steadily retreating into the background; and when they are used, it often is only as a sort of emergency exit. In official treaties, in the pronouncements of diplomats and politicians, even in the minds of the masses, the principle that war is a crime is gradually gaining ground, and with it the consciousness of the paramount moral duty of working for peace and of maintaining peace.

We may go even further. The peaceful settlement of international disputes is becoming the official method of political procedure; it is becoming the *normal* rule, the recognized duty. Settlement by war is beginning to be considered immoral and abnormal. Almost all countries are now linked together by bilateral or multilateral treaties, or by general pacts and declarations, stipulating in detail the peaceful procedure to be adopted in the event of disputes. Furthermore, there is a general will to improve the procedure laid down in these treaties and in the Covenant, so as to insure a peaceful settlement at all costs and make certain that if one institution or instrument fails another will be resorted to automatically. The originators of this endeavor are not individuals — pacifists or pacifist groups — but the states and governments themselves and their diplomatic and political representatives.

If asked to be more precise in defining the present weak points of the League of Nations, I would say the following:

1. As the conflict between China and Japan shows, the great handicap on the efficacious functioning of the League lies in the

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fact that the two largest nations of the world, the United States and Soviet Russia, are not members. This determines to a great extent the policy of Great Britain in all questions touching the League, in a sense unfavorable to the League.

2. The possibility of successful action by the League of Nations is further limited by the fact that the Great Powers of Europe often subordinate their policy at Geneva to the needs of their respective internal politics. Of the five European Great Powers, three are in the throes of revolutionary ferment: Germany is under the influence of Hitler's revolutionary movement, Italy under that of the Fascist revolution, and Russia under that of the Communist revolution. The more abnormal the situation of the chief members of the League, the more difficult it is for the League to function, its members being sovereign nations.

3. The fact that certain Great Powers, notably Germany and Italy, think of their participation in the League above all as a medium of furthering their own wishes and aspirations, regardless of the claims, wishes or even rights of other nations, is clearly the cause of a crisis in the League and leads to skepticism regarding the League's efficacy.

4. The League sometimes finds it difficult to adjust the relations of the Great Powers with the small or medium-sized Powers. The Great Powers do not like to be overruled by the votes of a large group of small nations; while the latter are reluctant to tolerate the pressure of the Great Powers. This mutual dislike is often exaggerated on both sides. An uncompromising enforcement of international democracy at Geneva would jeopardize the League's existence. As I said before, friends of the League must have the courage to recognize that those who have greater duties and responsibilities have a right to demand greater influence in the formation of decisions. But that must not mean that the votes of the smaller nations are ignored, and especially it must not mean that decisions affecting their interests shall be taken without hearing their opinion and without their consent.

This frank statement of the weak points of the League of Nations does not mean that it is bankrupt. To state its perplexities and difficulties is not to condemn it. I do not want to be either the judge or the advocate of the League. I only wish to state the facts as they appear to me. The existence of the weak points and difficulties to which I have referred is the fault of the member nations themselves and not of the institution as such.

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IV. THE LEAGUE AND DISARMAMENT

The task of finding a solution of the disarmament problem was set the League in Article 8 of the Covenant. Its progress in this field is often taken as a criterion of its success or failure.

Now it is possible to continue forever the theoretical discussion of the question whether disarmament is the preliminary condition of security or its consequence. The experience of the past twelve years shows distinctly that effective disarmament can be and will be carried out only as a natural result of a general victory of the new political methods instituted after the war, and of the sincere application of the new international legal system described in broad outlines above. In a period of constant struggle between the old and the new systems, in an era which in the main has been devoted to collecting experience of the new international method, there does not as yet exist the measure of confidence and assurance necessary for a reduction of national armaments corresponding to our wishes and desires. Even those fifty-six signatures to the Covenant and those two hundred treaties of arbitration and conciliation, the constituent factors of the new policy, cannot prove whether or not the whole mechanism of pacific method exists merely on paper, whether it functions only in special cases, and whether it will function also in extraordinary and difficult cases.

Let me put the matter still more explicitly. Effective disarmament does not depend on the solemn declaration of the governments concerned that they despise war and wish to settle all their disputes solely by pacific methods. It does not require only that effective instruments exist to bring about such pacific solutions. It requires effective and real guarantees to cover the contingency that the said declaration is not kept, that the awards of the arbitral organs are not respected, and that despite all the prestige of the new legal system some gross violence nevertheless occurs. In other words, effective, far-reaching disarmament necessitates the completion of the whole structure of the new international legal order and the organization of international security to guarantee the execution of Articles 10, 11 and 16 of the Covenant.

I am not emphasizing some one-sided thesis of security such as sometimes is propounded in France. I lay stress on a *system*, valid for all, and safeguarding the security of countries such as

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Germany, Hungary and Bulgaria as well as of countries which were in the Allied camp in the war. Disarmament in this sense can and will become the crowning masterpiece of the work carried forward by the League during these first years of its existence, aiming as it has done to give effective application to the political methods and international legal order of the new day.

It is clear that the League of Nations has already accomplished something useful in the field of disarmament. Its deliberations have contributed greatly to the general elucidation of the problem and have prepared the ground for its technical solution. But the most important result of these deliberations has been that they have imprinted upon the minds of those in power the idea that even the question of national armaments is not completely a private national affair, that it is destined to become an international affair, that as such it will have to be settled in accordance with the common interests of all states, and that sooner or later nations will have to concede to an international conference the right to determine the extent of various national armaments and systematically to inspect and control those armaments through organs appointed for the purpose.

The International Disarmament Conference, which has just concluded the first phase of its work in Geneva, achieved a partial yet important success. I am of the opinion that if the Conference will continue to work with the same sincerity that it has worked hitherto, the second phase of the Conference will see further steps forward — in carrying out so-called "qualitative disarmament," in reducing effective armed forces and military budgets, as called for in the concluding resolution of the Conference, and thus bringing into effect the first international treaty of disarmament ever drafted. If the Conference succeeds to that extent, it will mean a tremendous success for the League of Nations, which has been busily preparing the ground during all these recent years.

V. LEAGUE ACTIVITIES IN ECONOMICS, SOCIAL WELFARE AND CULTURE

Preceding pages have made it clear, I hope, that I do not overrate the successes of the League of Nations in the political sphere, and that I am aware that the great progress of the idea of peace, represented especially by the increasing popularity of the idea of arbitration and by the rejection of war as a means of national policy, does not yet mean the realization of a living and complete

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international legal order either in Europe or in the world as a whole. I will not be accused of partiality, then, if I emphasize some achievements in other departments in which the League has been busy, namely the international economic and financial coöperation organized with remarkable success by the League during the past twelve years, and also the coöperation which it has fostered in humanitarian, social, intellectual and cultural matters. There is hardly a department of human or national activity which has not become an object of the League's solicitude. As a result, the League has become an important international center for coördinating work in all these questions.

I need only recall the League's coöperation in the task of bringing economic and financial relief to such countries as Austria, Hungary and Bulgaria, and its effort to promote closer economic collaboration between nations and to remove various obstacles in the way of international trade and transport. This work at present is under the shadow of a grave crisis. But in the future it surely is going to be extended and made even more comprehensive.

Nor must I omit to mention the extensive activities of the League in the social and humanitarian sphere, including the care of refugees, the struggle against epidemics, the protection of women and children, and the fight against drugs, especially opium. Useful results have also been achieved in the centers of intellectual coöperation founded by the League, such as the International Institute for Intellectual Coöperation in Paris and the International Institute for Educational Cinematography in Rome. Possibly much of this work could have been undertaken with equal success by private enterprise; but the part of the result which cannot be minimized is the fact that the work as actually organized has brought the nations into official contact periodically and even permanently. This is no mean psychological achievement. These activities will not be the salvation of the world, and their importance must not be overrated. But the mere creation of a close net of economic, cultural, social and humanitarian relations between most of the nations of the world deserves our sincere recognition and grateful support.

VI. THE FUTURE

All that I have said in favor of the League of Nations does not hide the fact that it is not a perfect instrument for maintaining peace and that it does not fulfill all the expectations originally

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built upon it. I have tried to point out the chief reasons for this. Some of these reasons are of a temporary character, others go deeper — perhaps they even are permanent.

The Constitution of the League, that is to say its Covenant, needs improving. It should be brought into full harmony with the ideas and moral basis of international peace policy. In other words, an attempt should be made to prohibit war altogether, which means harmonizing the Covenant with the Kellogg Pact. Some may also demand that an attempt be made to harmonize not only the sentiments of the nations, but also to coördinate their vital interests, *i.e.*, to give greater executive power to the Council, so that the principle of unanimous decisions may be abolished and replaced by majority decisions. That would mean the creation of a super-state. I do not think the world is ripe for this.

The League of Nations is not something abstract. It is a concrete organization of nations which have voluntarily assumed the duties of membership and which have joined together in a great common task. This task can be fulfilled only if all members remain actuated by the desire to pursue the common aim and to renounce on its behalf aims and interests of their own: that is to say, if all members seek to harmonize their special national interests with the interests of other nations on the platform of the Covenant. What must be sought is a common denominator of two, or three, or even of all fifty-six divergent national interests — this denominator corresponding to the common higher interests of mankind.

If a crisis occurs the reason will not be far to seek, for it is no easy matter to find in each case this synthesis of national interests — nor is there always adequate good will to find it, so easily do egotistical national tendencies and aims gain predominance over the will to international coöperation. The problem of the League of Nations, then, is simply a problem of further international education. I myself believe firmly in the eventual success of this process of education. Consequently I believe in the future of the League of Nations. What would an idealistic politician who believes sincerely in goodness, truth and the principle of the constant if slow progress and improvement of the human race, otherwise do in politics and in public life in general, if he did not cherish this faith?

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TEN YEARS OF THE WORLD COURT

By Manley O. Hudson

THE Permanent Court of International Justice has now rounded out a decade of activity. It is a brief period in the life of a permanent institution, too brief perhaps for any definitive judgment as to its usefulness, and it cannot be said to complete a cycle. Continuity is the Court's "most essential characteristic," as President Adatci recently observed, and it "forbids any arbitrary subdivision of its performances in terms of time." Yet the Court must make its way as it goes, and the record of its first ten years enables some estimate to be formed as to the value of its work, as to the rôle of a judicial agency in our current international affairs, and as to the difficulties which may be encountered in the future.

The creation of the World Court was preceded by a whole generation of effort, in the course of which many expectations were aroused. In the attempt to appraise the record of the Court to date it may be useful to inquire how far these expectations have been fulfilled. In some respects, certainly, the achievements have outstripped the hopes entertained, and surprises have come for even the more sanguine prophets. In other respects, however, the expectations have not been realized, and perhaps some of them should never have been entertained. An inquiry must proceed along both lines if the record is to be justly appraised.

It may first be said that the various states of the world have shown a surprising willingness not only to support the Court but also to confer on it extensive jurisdiction. When the Statute of the Court was being framed in 1920 it seemed doubtful whether it could be brought into force for several years to come. Ratifications of multipartite international instruments are usually slow and are often long delayed. It appeared to be a big task, in 1920, to procure the ratifications of the Court protocol by a majority of the forty-eight states then members of the League of Nations. Yet twenty-eight states deposited their ratifications within nine months, and it thus became possible to hold the first election of judges in 1921. In twelve years, forty-seven states or members of the League of Nations have ratified the protocol of signature, and ten additional states have contributed to the financial support of the Court. This record is the more notable if it is compared with

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that of the older Permanent Court of Arbitration, which after thirty-two years is not so widely supported.

When the Statute was being drafted, also, it was thought to be going too far to ask states to give the Court a compulsory jurisdiction over legal disputes. An "optional clause" was therefore attached to the Statute which left states free in this respect. For some years, in spite of the persistent efforts of the Assembly of the League of Nations, little progress was made in the acceptance of the jurisdiction covered by this "optional clause;" but recently such insistence has been more successful and the clause is now in force for thirty-seven states, though with far-reaching reservations by some of them. Moreover, numerous treaties have been entered into during this period which provide in some way for the Court's exercise of jurisdiction, frequently upon the initiative of one of the parties to a dispute; a recent publication of the Court lists 420 instruments relating to its jurisdiction, though not all of them are now in force. In the light of such progress in so short a period one wonders whether the framers of the Statute were not over-cautious in 1920. Clearly, one may say that states have shown themselves unexpectedly willing to keep the Court alive and to give significance to its being alive.

A second thing to be noted is that the Court has been much busier than many informed persons supposed that it would be. The writer recalls a meeting of jurists held in Geneva just after the first election of judges in 1921, where the opinion was quite general that the Court would have little or nothing to do during its earlier years. Yet in its first decade it has held twenty-five sessions, in the course of which it has been called upon to hand down seventeen judgments, twenty-four advisory opinions, and numerous orders; and several important cases are now pending. In other words, resort to the Court has been much more frequent than was generally expected, and there is now no indication that the frequency will be diminished. Some twenty-five states have been parties or have been represented before the Court; in most cases they were European states, but the number also includes Brazil, China and Japan. Nor has the use of the Court been confined to the states which have formally joined to maintain it; in several cases Turkey has been a party, though she is not a signatory of any of the Court protocols.

It had been anticipated by some observers that instead of going before the Court states might elect to submit their differences to

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independent arbitral tribunals composed of arbitrators *ad hoc* selected by the parties themselves. This was the basis of a prediction that states would create tribunals within the framework of the older Permanent Court of Arbitration in preference to the Permanent Court of International Justice with its fixed personnel. Yet in ten years (during which some forty matters have been referred to the latter Court) agreements for resort to tribunals of the Permanent Court of Arbitration have been made in only three cases, and in each of these one of the parties was the United States of America. States seem to appreciate the advantage of a permanently constituted tribunal, with a known procedure, and with a disposition to build a consistent body of jurisprudence. The use made of the Court since it was created is the best proof of the need for such an institution.

In a third respect, also, the record of ten years surpasses the expectations. The administration of the Court has proceeded with surprising ease. If it has not been altogether without friction, many of the difficulties which were foreseen in the years before the war have been proved groundless. It was the failure to agree on any method of electing the judges which defeated the effort to create an international court at the second Peace Conference at The Hague in 1907; the method of election adopted in 1920 has proved to be generally acceptable, and even if the results have not been wholly satisfactory, it may be said to have succeeded. Only the existence of the Assembly and the Council of the League of Nations has made this success possible. The fact of the hegemony of a few states had to be balanced against the dogma of the equality of all states, and a practicable balance had already been struck in the Covenant. When the scheme for electing the judges was agreed upon, the so-called Great Powers held a controlling voice in the Council, but they were deprived of this advantage when the number of members of the Council was increased from eight to fourteen. Even this shift in the balance was not fatal to the Court, however. In the six elections which have been held, the general scheme has worked. Changes may yet have to be made, but it seems improbable that the struggle of the pre-war years will have to be waged again. Nor have the details of the administration of the Court threatened an impairment of its functioning at any time. The Court has not lacked money; the judges have not found collaboration too difficult; and the procedure adopted, with

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two somewhat thoroughgoing revisions, has been generally satisfactory.

All of the entries in the ledger cannot be made on one side, however. The chief way in which the Court has been a disappointment, perhaps, is in the rôle which it has played and which it has shown itself capable to play in international affairs. For a whole generation hopes had been entertained that an international court would be a great bulwark of peace, that states would resort to it as an alternative to force, and that its functioning would produce a system of law which would in time afford the basis for a settlement of all international disputes. Nowhere in the world were these hopes indulged more extravagantly than in America, and frequent expression has been given to them recently in connection with the proposal that the United States should join in the support of the Court. It is beside the point, for the present purpose, to show that such a conception of the rôle of a court was born of confused thinking about the place of law in international society, or that it magnified the work of judicial agencies beyond any possible realization. The facts are that in its record to date and in the promise which it offers for the future, the Court is not primarily an agency for maintaining peace, and that much of its activity is only remotely connected with world peace. A frank recognition of these facts does not unduly minimize the Court's importance; and a failure to recognize them can only lead to misunderstanding and discouragement.

The expectation that states would be willing to compress their acute and important differences into opposing legal formulas to be debated before judges has not been borne out in the cases submitted to the Court for judgment during the first ten years. Not one of these cases threatened to become a *casus belli*. Some of them, to be sure, and particularly the cases between Germany and Poland, related to differences which might have festered if the Court had not been at hand — and infection may be as dangerous in politics as in surgery. Yet the problems referred to the Court were for the most part juridical, usually depending on difficult constructions of treaty provisions which were too complicated for popular agitation. Even the territorial problem in the pending case between Denmark and Norway concerning the sovereignty over Eastern Greenland was not likely to produce an acute situation. The *Free Zones Case* between France and Switzerland concerning the customs régime in Gex and Savoy around Geneva,

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may have had serious possibilities, but it did not threaten the peace of Europe. Lawyers may delight in the nicety of the problem involved in the *Lotus Case* between France and Turkey with respect to jurisdiction to punish for a crime committed at sea, but politicians could not have been expected to work up much excitement about it. Indeed, not one of the cases submitted for judgment has been of outstanding political significance. The facts therefore refute many of the predictions made before the Court was established, and they must be taken into account in any estimate of the value of the optional clause.

It is not generally realized that the jurisdiction of the Court to give binding judgments has proved to be less important than its jurisdiction to give non-binding advisory opinions. This is one of the developments which no one seems to have foreseen. The project for a court drawn up at The Hague in 1907 contained no provision for advisory jurisdiction. Even the statement in Article 14 of the Covenant that "the Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly," seems to have been an afterthought to which little consideration was given by the Peace Conference at Paris. Curiously also, that provision was not deemed to be of first importance by the Commission of Jurists which drafted the Court's Statute in 1920, though an article dealing with it was suggested. As the Statute was adopted, it does not even mention advisory opinions. Yet in the first decade there has been much more frequent resort to the Court for advisory opinion than for judgment. Indeed, the contribution of the Court to the maintenance of peace has chiefly been made through the exercise of its advisory function.

Some of the advisory opinions have related to disputes which might have gone to judgment, such as the dispute between France and Great Britain about the nationality decrees issued in Tunis and Morocco; others have related to the functioning of international institutions such as the International Labor Organization, the European Commission of the Danube, and the Greco-Turkish Mixed Commission for the Exchange of Populations; but the more important opinions have assisted the Council in its handling of acute differences between states. Thus the Court has participated in the solution of boundary questions between Albania and Jugoslavia, between Czechoslovakia and Poland, and between Turkey and Iraq, and in this last case a war was actually

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threatened between Turkey and Great Britain as mandatory for Iraq. Similarly, the Court has played a significant rôle in maintaining some of the delicate features of the post-war settlement which might have disturbed the peace, notably in vexing situations between Danzig and Poland, and in connection with the proposed Austro-German customs régime; and a recent opinion dealt with the application of the Hoover moratorium between Bulgaria and Greece. Thus some of the twenty-four advisory opinions have related to matters more vital than any of those which have been entrusted for judgment, and it is through this arm of its jurisdiction that the Court is making its contribution to peace. Such jurisdiction is exercised, however, not on the Court's own initiative, not on the initiative of the states chiefly concerned, but on the invitation of the organs of the League of Nations which have the primary responsibility for preventing war.

This, then, is the important rôle of the Court in the international affairs of our time. The administration of law is only incidental to the task of maintaining peace in the twentieth century. The Court has not fulfilled, and it seems not likely that it will fulfill, the expectations which would have made it alone the focal center of pacific settlement. Yet it makes a contribution which had not been foreseen. By itself, it could assist but remotely in building a sense of international security; as a part of a larger world organization, it is a necessary link in the machinery for safeguarding the world's peace.

An appraisal of the record of the Court must also take account of certain consequences of its existence as distinguished from its activities. Not the least of its contributions has been its indirect influence upon the current development of the law of pacific settlement. The very fact of the existence of the Court has stimulated and facilitated the building of a new law of conciliation and arbitration. In 1914 the world was still in a stage where for most countries questions affecting vital interests and national honor had to be excepted from engagements to arbitrate. The Covenant of the League of Nations took a bold departure in 1919; yet it has needed the bolstering of a series of arbitration and conciliation treaties drafted in harmony with its purpose. In this task, the moral influence of the Court has been a dominating factor. At the end of ten years, many states are bound by inclusive treaties which provide a more or less complete system for the settlement of disputes. The system comprises provisions for con-

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ciliation by permanent commissions, as to which the Bryan model still survives; provisions for arbitration by *ad hoc* tribunals; provisions for adjudication of legal questions by the Court; and provisions for ultimate resort to the Council of the League of Nations. It has its best formulation in the General Act for the Pacific Settlement of International Disputes promulgated at Geneva in 1928, a global arrangement which is already in force for more than twenty states. Such a system might have been created without the aid of the Court's influence; but with the Court in existence, its development has been much less precarious and its progress has been much more rapid. The law of pacific settlement in 1932 is many generations in advance of that which prevailed two decades ago.

The Court's influence in this direction is larger because there is general confidence in the cumulating law contained in its jurisprudence. In some forty judgments and opinions there has been a steady and consistent development of legal principles, in the course of which the Court has found no embarrassment in the provision of its Statute that "the decision of the Court has no binding power except between the parties and in respect of that particular case." Its experience has shown that the Anglo-American doctrine of *stare decisis* is not an indispensable condition of judicial progress. Time and again, the Court has relied on precedents contained in its previous judgments or opinions, and considering the variety of the questions dealt with, its decisions hang together with striking effect. Numerous legal principles have been clarified, some new principles have been announced. This is more notable in some fields than in others; in the law of treaty interpretation, so essential in this era of international legislation, a very apparent development has taken place, giving to the work of the Court an importance which transcends that of the specific cases. If this process can be continued for half a century, international law will have a new content and cannot fail to command a greater respect. The value of the Court's jurisprudence is greatly enhanced by its excellent publications — it is probably the best-documented public institution in the world today.

The moral influence of the Court depends very largely on its prestige, which will doubtless vary from time to time, and which will not always rest on facts seen in historical perspective. On various occasions during the past decade, features of the Court's organization have been widely criticized, and in some instances

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the criticism has been justified. The system of elections has not been maintained without some abuses. It was probably a wise provision in the Statute that candidates for the judgeships should be nominated by the national groups in the Permanent Court of Arbitration, for this provision gave the Court a valuable link with that older institution; but it has not always produced the promised advantage of an independent selection of candidates. In one case, the British national group consisted of one person who nominated himself as a candidate; the fact that he deserved to be and was elected did not keep the nomination from being an abuse of the system. It was certainly a wise provision in the Statute that the judges should be "elected regardless of their nationality;" yet this counsel of perfection has been generally disregarded. On each of the five occasions when vacancies have been filled, a candidate has been successful who had the same nationality as the previous incumbent. In 1930, a Latin American *bloc* in the Assembly of the League of Nations demanded three Latin American judges, and they were elected; this, in spite of the fact that some of the Latin American states have been very tardy in ratifying the Court protocols, and only one of them has been before the Court as a party. The election of two judges who had formerly served as legal advisers to foreign offices was much criticized in 1929, though in most cases such service would seem to be an excellent qualification; no such criticism was made in connection with the election of the three Americans who have been judges, though two of them were former Secretaries of State and the third had been a high official of the Department of State. Of course no one could contend that all of the judges elected have been the best qualified men in the world at the time. Opinions vary as to what are the best qualifications for the judges; and the best qualified men are not always available, even to serve on the most august tribunal in the world. On the whole, however, in spite of the abuses, the system of election probably works about as well as any that could be devised, and the caliber of the judges compares very favorably with that of members of the isolated arbitral tribunals which have been created during the past fifty years.

The prestige of the Court may have suffered, also, as a result of some dissatisfaction with its rules and with its methods of work. Fortunately, the Statute requires that "a session of the Court shall be held every year;" but the fixing of June 15 as the date

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for the beginning of the session made it seem that the judges were to be occupied chiefly during the summer months, and that date has now been changed to February 1. The Court frequently meets in extraordinary session, yet on some occasions unfortunate delays have occurred in the hearing of cases. These delays have been due in part to the fact that some of the judges have not regularly attended the sessions. In one or two instances the failure of the judges to attend has been all but scandalous. Before the number of judges was increased in 1930, it was not always possible to secure a quorum of judges quickly; in one instance, in 1928, when a bare quorum was present, the illness of one judge necessitated an adjournment. The Court has done little about the matter — possibly there is little it can do. Early in 1931 it adopted a rule making attendance imperative; yet the record has been little better since. In 1931 the third hearing in the *Free Zones Case* had to be postponed for six months. For one thing, some of the judges are too old at the time of their election; one of those elected in 1921 was already 79 years old. Of eleven judges elected in 1921, only seven served out the term of nine years. Part of the difficulty, therefore, is beyond the reach of the Court itself. Now that it is out of its swaddling clothes, more attention needs to be given by the electors to providing the Court with an energetic and vigorous personnel, and continuity of service should be made a chief desideratum.

The method of work adopted by the judges has been the subject of some criticism also. The documents submitted to the Court are usually voluminous. Since it is not an appellate tribunal, there is not the previous narrowing of issues to which higher national courts are accustomed; and with few rules for the exclusion of evidence, the oral hearings are often very extended. Nor does the use of two or more languages tend to expedite the proceedings. For a time the attitude of the judges was not favorable to questions addressed to counsel from the bench, and the hearings were lifeless; recently, however, this attitude has been changed with good results. Witnesses are seldom heard, and on only a few occasions have experts been summoned to assist the Court. The deliberations of the judges at the conclusion of the hearings have become somewhat formalized, though changes in the practice are made from time to time. Judges trained in different systems of law, guided by varied experiences, do not reach agreement without some difficulty. Dissents are frequent, and in some quarters the

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practice of allowing dissenting opinions is strongly disapproved. On certain features of the *Lotus Case*, the judges were equally divided and the President cast a deciding vote; on the order given in the *Free Zones Case* in 1930, twelve judges were equally divided on the reasons for the Court's action; and the divisions among fifteen judges with reference to the opinion on the proposed Austro-German customs régime remind one of the divisions in the Supreme Court of the United States in the *Dred Scott* case. Yet when we view the record as a whole we may say that the sharp divisions in the Court have been less serious than might have been anticipated.

Possibly the work of the Court would be facilitated if it had the assistance of a trained and organized bar. States represented before the Court are entirely free in their selection of agents and counsel. There is no requirement that lawyers be chosen, nor is a state restricted to representation by its own nationals. The languages of the Court being English and French, more often French, parties usually desire to avoid the uncertainty of translations by having counsel who are entirely at home in one of those languages. This creates a practical limitation on the selection of counsel, and it explains why a few lawyers have appeared before the Court a number of times. No practical scheme has been proposed for the organization of an international bar.

It was principally the difficulties in the functioning of the Court which led to an attempt to revise its Statute in 1929. The amendments drawn up were not thoroughgoing, and few of them would have effected any improvement. No attempt was made to deal with the most patent defect in the Statute, its lack of a provision for the method of its amendment. This failure was due to a reservation offered by the United States, which has exhibited with reference to the Court a stage fright not felt by any other country in the world. Both the Covenant of the League of Nations and the constitution of the International Labor Organization provide for their amendment by something less than unanimous consent; but unanimity is needed for any amendment of the Statute of the Court. Hence, the amendments proposed in 1929 could not come into force in 1930, as planned, because Cuba withheld her consent. Cuba's reservations have now been withdrawn, but the effect of her somewhat childish performance was to require formal ratifications by the various states including the United States. The revision of the Statute has not yet become

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effective, therefore, and may never become so. The problem is not an urgent one, for some of the changes proposed have already been made by the Assembly of the League of Nations and by the Court itself. Perhaps a few years hence experience will dictate a fresh attempt at revision, and in that case some of the more or less moribund provisions of the present Statute, possibly those for special chambers to deal with labor and with transit and communications cases, may be sloughed off altogether.

In some respects the activities of an international court are very unlike those of a national court. In the jurisdiction possessed, in the procedure followed, and in the relief given, the two have little in common. The popular talk about an international court's acting on states as a national court acts on individuals easily leads to false appreciation. That lesson was taught in the United States by the celebrated case in which Virginia finally forced West Virginia to pay a part of the debts contracted before the Civil War; it must be clear, also, to any student of the recently decided *Free Zones Case* between France and Switzerland. Yet the judicial process is much the same in the two classes of courts; it is subject to the same limitations and to the same popular misconceptions.

The limitations surrounding judicial action have been scrupulously observed by the World Court. It showed a clear determination to safeguard its judicial character by refusing to give an opinion in the *Eastern Carelia Case*, when the Soviet Union declined to appear before it. More recently, in the *Free Zones Case*, it refused to undertake the function of revising a situation depending on treaties which both France and Switzerland had admitted to be "no longer consistent with present conditions."

No court, whether national or international, can apply "the law" automatically. Indeed, no system of law exists, in either sphere, to furnish clear-cut and ready-made solutions for all the problems which arise. Principles are guides not masters, and their application calls for a delicate appreciation of factors which do not range themselves into hard and fast categories. The wise judge will face this task frankly, even at the risk of incurring criticism that his judgment is "political." This was done by Judge Anzilotti in the case relating to the proposed Austro-German customs régime, but not by the minority of the Court which purported to proceed on a "purely legal" basis, without regard to "political considerations." As Judge Kellogg has insisted, an international court should not be open for the submission of "political" ques-

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tions; but only the trained person can be expected to discover the shadowy line between "political" and "legal" questions, and what is "political" today may become "legal" tomorrow. Moreover, as the experience of the Supreme Court of the United States has demonstrated, the process of seeking a solution of admittedly "legal" questions cannot be pursued without attention to matters of policy. If these considerations had been more widely appreciated, it seems probable that some of the criticism of the Court's opinions, particularly the opinion on the Austro-German customs régime, would have been less severe.

With all its defects, in spite of the criticism which was to be expected and welcomed, the Court has achieved a solid prestige in ten years. Not once has its authority been flaunted, in no case has its judgment been ignored. Its usefulness is clear, though it is in some respects different from that which had been foreseen. The Court has made a beginning toward the reconstruction of international law according to twentieth-century ideas. It stands today, beside the Council of the League of Nations, as the center of a new system of pacific settlement. It is so firmly embedded in the world's treaty law that its disappearance would involve a revolution in international affairs. It is so entrenched in the public esteem that its *permanence* seems assured.

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THE POSITION AND PROSPECTS OF COMMUNISM

By Harold J. Laski

"A SPECTRE is haunting Europe — the spectre of communism." Eighty-five years have passed since the *Communist Manifesto* opened with those fateful words. It is little less since Tocqueville predicted that the democracy, weary of the inadequate results of their political emancipation, would one day turn to the destruction of the rights of property as the condition precedent to their economic emancipation. "In matters of social construction," he wrote,[1] "the field of possibilities is much more extensive than men living in their various societies are willing to imagine."

After the breakdown of the revolutions of 1848 there was little disposition among the statesmen of Europe and America to take the growth of socialism with any profound seriousness until the epoch of the war. A moment of horror at the events in Paris in 1871, a sense that the abortive revolution in Russia of 1905 might be the prelude to a vaster drama, exhausted the sense of doubt about the foundations of the social system. Neither the experience of France nor of Germany seemed to point to the likelihood of Socialist governments; and as late as 1908, President Lowell, reflecting upon the English position at the close of his famous treatise,[2] concluded that "unless the Labor Party should grow in a way that seems unlikely" there was no prospect of a class-division in English politics in the near future. Lord Grey, indeed, on the very eve of the war, was troubled by a sense that its prolongation might result in a repetition of 1848; but the universal welcome which greeted the March Revolution in Russia did not suggest that men had any doubts about the foundations of a capitalist society. At no time in American history prior to the war had the socialist movement made any profound impact upon American life.

The Bolshevik Revolution wrought an immediate and fundamental change in the perspective of public opinion. The very fact that Marxian principles could assume the guise of action made it evident that the foundations of capitalism had nothing like the

[1] "Recollections," p. 101.
[2] "Government of England," II, p. 534.

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security that had been assumed. As Lenin consolidated his position against both the attacks of the Allies and the impact of civil war, the Russian Revolution began to reveal itself as the profoundest change in the mental climate of the world since the Reformation. The proletariat in a state of one hundred and thirty millions had not merely challenged the rights of property, it had overthrown them. Before five years had passed it was obvious that the Russian Revolution was not, as its enemies hoped, a temporary portent. It had affected the psychological fabric of all civilization. Ideas like the class-war, the dictatorship of the proletariat, the expropriation of the capitalist, had passed at a single bound from books to action. What seemed in 1914 an underground and unimportant conspiracy had become, ten years later, a state. And it was obvious that the fact of such a state's existence, the knowledge that it could survive and grow, had turned men's thoughts into new directions. For the first time in history, a proletarian state was an actual, and not merely an ideological, inspiration; and for the first time in history, also, capitalist society met a direct and thorough-going challenge.

The impact of Russia upon the old world and the new cannot be expressed in simple terms. Certainly there were few thoughtful minds whom it did not compel to a revaluation, or, at least, a reassessment of the basic principles of politics. The pre-war state-system emerged from the great conflict far more shattered than was apparent in the mood of vindictive triumph embodied in the Peace of Versailles. It had to grapple with a *damnosa hereditas*. The necessities of war had given an enhanced status to the working-classes of the belligerent countries; and it was necessary to satisfy their new claims. National feeling had been profoundly inflamed by the conflict; and since nationalism took the form of an intense revival of neo-mercantilist doctrine, a community of states emerged whose political practices were increasingly at variance with the objective needs of the world-economic market. The problems created by debts and reparations, the control of imports and migration in the interest of the several states, the new levels of taxation rendered necessary by the demands of social legislation, the refusal of the Far East any longer to accept the domination of Western Europe and America, all implied the futility of believing that the old laissez-faire was compatible with the attainment of social good. It had become clear to every

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careful observer that it was necessary either deliberately to plan the post-war civilization or to perish.

For a brief period, the sudden prosperity of America (though much more confined than was generally realized) concealed from many the realities of the situation. It was argued that the condition of Russia was a special one; that, elsewhere, the problem was rather one of dealing with the excrescences of the capitalist system than with capitalism itself. As late as 1928 President Hoover felt able to announce to an awe-struck world that America had (under God) solved the problem of poverty. Two years later, it was clear that his announcement was premature. The world (including America) was caught in the grips of a depression more intense and more widespread than any recorded in history. The unemployed could be counted in millions in capitalist countries. The mood of pessimism was universal; men spoke gravely of a possible collapse of civilization. At a time when science had made possible a greater productivity than in any previous age, the problem of distribution seemed insoluble. All the nations demanded the removal of barriers against world-trade; despite pious recommendations, like those at Geneva in 1927, they did not seem able to remove them. All the world agreed upon the necessity of disarmament; the conference at Geneva to attain it would have been farcical if it had not been tragic. The dislocation of currency methods deprived commerce of that automatic measure of value upon which the life-blood of trade depended. Thirteen years after the end of the war, the perspective of capitalist civilization revealed an insecurity, both economic and political, which made justifiable the gravest doubts of its future.

Russian development was in striking contrast. The Five Year Plan gave it an integrated and orderly purpose such as no capitalist country could rival. Productivity increased at a remarkable rate; unemployment was non-existent. If the standard of living was low compared with that of Great Britain or the United States, its tendency was to increase and not to decline. The whole population was united in a great corporate effort at material well-being in which there was the promise of equal participation. Where Europe and America were sunk in pessimism, the whole temper of Russia was optimistic. The authority of its government was unchallenged; its power to win amazing response to its demands was unquestionable. Granted all its errors, no honest observer could doubt its capacity both to plan greatly and, in large

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measure, to realize its plans. No doubt its government was, in a rigorous sense, a dictatorship. No doubt also it imposed upon its subjects a discipline, both spiritual and material, such as a capitalist civilization would hardly dare to attempt. No doubt, again, its subjects paid a heavy price for the ultimate achievement to which they looked forward. Yet, whatever its defects and errors, the mood of the Russian experiment was one of exhilaration. While the rest of the world confronted its future in a temper of skepticism and dismay, Russia moved forward in a belief, religious in the intensity of its emotion, that it had a right to ample confidence in its future.

II

No one can understand the character of the communist challenge to capitalism who does not grasp the significance of this contrast. A hundred years ago the votaries of capitalism had a religious faith in its prospects. They were, naturally enough, dazzled by the miracles it performed, confident that the aggregation of its individual successes was coincident with the social good, happy in a security about the results of their investment which seemed to entitle them to refashion the whole world in their own image. The successful business man became the representative type of civilization. He subdued all the complex of social institutions to his purposes. Finance, oil, coal, steel, became empires of which the sovereignty was as unchallenged as that of Macedon or of Rome. Men so different as Disraeli and Marx might utter warnings about the stability of the edifice. Broadly speaking, they were unheeded in the triumphs to which the business man could point.

But those triumphs could not conceal the fact that the idol had feet of clay. The price to be paid for their accomplishment was a heavy one. The distribution of the rewards was incapable of justification in terms of moral principle. The state was driven increasingly to intervene to mitigate the inequalities to which capitalism gave rise. Vast and costly schemes of social legislation, militant trade unionism, a nationalism of pathological proportions, imperialist exploitation with its consequential awakening of nationalism among the peoples exploited,[3] were all inherently involved in the technique of a capitalist civilization. Nationalism meant imperialism; imperialism meant war; in the struggle for

[3] See my "Nationalism and the Future of Civilization" (1932).

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markets there was involved an inescapable threat to the security of the whole structure. That became finally evident in the Great War and its aftermath. A world of competing economic nationalisms could not avoid inevitable conflict.

Nor is this all. The condition for the survival of an acquisitive society is twofold. There must be no halt in its power to continue its successes; and it must be able so to apportion their results that the proletariat do not doubt their duty to be loyal to its institutions. This condition has not been realized. Economic nationalism has given birth to a body of vested interests which impede in a fatal way the expansion of world trade. On the one hand, the power of productivity makes the ideal of self-sufficiency incapable of realization; on the other, the capture of foreign markets means commercial warfare which issues into actual warfare. The individual ownership of the means of production is incompatible with the kind of planning necessitated by the interrelations of a world reduced to the unity of interdependence.

The failure to maintain the allegiance of the proletariat, though different in degree in different countries, is, nevertheless, universal. Its danger was foreseen by Tocqueville nearly a century ago. "The manufacturer," he wrote,[4] "asks nothing of the workman but his labor; the workman expects nothing from him but his wages. The one contracts no obligation to protect, nor the other to defend; and they are not permanently connected either by habit or by duty. . . . The manufacturing aristocracy of our age first impoverishes and debases the men who serve it, and then abandons them to be supported by the charity of the public. . . . Between the workman and the master there are frequent relations but no real partnership." Everything that has happened since Tocqueville wrote has combined to give emphasis to his insight. The decay of religion has intensified the appreciation of material well-being. The growth of education has made working-class resentment at the contrast between riches and poverty both keener and more profound. Universal suffrage has made necessary a far wider and more costly response to the demands of the proletariat; and the perfection of party organization has made the struggle for political power one in which the offer of bread and circuses is an essential part.

Men, in short, accept a capitalist society no longer because they believe in it, but because of the material benefits it professes

[4] "Democracy in America," Part II, Book II, Chapter XVIII.

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to confer. Once it ceases to confer them, it cannot exercise its old magic over men's minds. It has become, writes Mr. Keynes,[5] "absolutely irreligious, without internal union, without much public spirit, often, though not always, a mere congeries of possessors and pursuers." Once its success is a matter of dubiety, those who do not profit by its results inevitably turn to alternative ways of life. They realize that the essence of a capitalist society is its division into a small number of rich men and a great mass of poor men. They see not only the existence of a wealthy class which lives without the performance of any socially useful function; they realize also that it is inherent in such a society that there should be no proportion between effort and reward. They see this when the decline of capitalist prosperity makes the payment of the price demanded for their allegiance to the system one it is increasingly difficult to pay without destroying the position of advantage which the rich enjoy in society. The social service state can only be maintained at a level which satisfies the worker in a period of increasing returns. Once its benefits have to be diminished, the moral poverty of capitalism becomes apparent to all save those who live by its preservation. There arises an insistent demand for economic and social equality — such a distribution of the social product as can rationally be referred to intelligible principle. Resistance develops to the normal technique by which capitalism adjusts itself to a falling market. The growth of socialism in Great Britain, the dissatisfaction with the historic parties in the United States, the rise of Hitlerism in Germany, the profound and growing interest, all over the world, in the Russian experiment, are all of them, in their various ways, the expression of that resistance. Men have begun to ask, upon a universal scale, whether there is not the possibility of consciously building a classless society in which the ideal of equality is deliberately given meaning.

It is not, I think, excessive to argue that the experience of this generation leads most socially conscious observers to doubt the desirability of relying upon the money motive in individuals automatically to produce a well-ordered community. It is at least a matter of universal recognition that the collective intelligence of society must control all major economic operations. But the translation of that recognition into policy encounters difficulties of which the importance cannot be emphasized. For it asks

[5] "Essays in Persuasion," p. 306.

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men to part with power on an unexampled scale. It changes a system of established expectations profoundly rooted in the habits of mankind. It disturbs vested interests which are well organized, both for offense and defense, and accustomed by long tradition to have their way. No governing class in the history of the world has consciously and deliberately sacrificed its authority. It has gone down fighting, as in France and Russia; it has co-operated with the *novi homines* of the industrial revolution, as in England or Germany. But the call to socialism, which the anarchy of capitalist society has produced, is, at bottom, a demand for economic egalitarianism in which the possessors are invited to sacrifice their power, their vested interests, their established expectations, for the attainment of a common good they will no longer be able to manipulate to their own interest.

The socialist parties of Western civilization have conceived a simple formula upon which to place reliance. They will win a majority of the electorate to their side; and they will proceed, by legislative enactment, gradually to introduce the socialist commonwealth. Possessing themselves of the constitution of the state, they assume that they can operate the machinery to their own purposes. They argue that if the pace is not too violently forced, the instinct for law and order will enable them to consummate their revolution with good will because their policy will proceed by reasonable stages. That has been the policy of the two Labor Governments which arrived in office, a little accidentally perhaps, in Great Britain; and in their different ways it has been the policy of such socialist governments as have held office elsewhere. Of them all it is not unfair to say that they nowhere made any essential difference to the foundations of capitalist society. Of them, also, it is true to say that if they showed signs of seriously compromising those foundations, they were driven to surrender power to their rivals. And in that event it was the bankruptcy, rather than the success, of gradualist change which became apparent.

In this context, what is important is the underlying assumption of socialist gradualism: it builds upon the persistence of constitutional democracy. But not only — as Italy, Jugoslavia and the rest make plain — is that persistence a dubious matter in practice; the persistence of constitutional democracy depends upon the further assumption that men are agreed upon the fundamental principles of policy. In a broad way, this was true as between

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Liberals and Conservatives in the nineteenth century; experience has demonstrated how little ground there is for believing that it is true when the choice is between a capitalist and a socialist way of life. No one who meditates upon the prospect of large-scale socialist experiment can conclude that it is likely to go into operation without grave challenge. No one, either, can argue that such a challenge will permit the principles of constitutional democracy to survive unimpaired.

III

It is at this point that the communist hypothesis becomes of such overwhelming importance. It points to the inherent contradictions of capitalist society. It denies that there is in it any longer the power to resolve those contradictions within its assumptions. It insists that no socialist government can attempt seriously to put its principles into practice without encountering determined resistance which will issue in civil war. To maintain socialist principles, in short, socialists will be driven to become communists or to betray their socialism. If they become communists, they will find themselves involved in the grim logic of Leninism — the dictatorship of the proletariat, the drastic suppression of counter-revolution, the confiscation of the essential instruments of production, the building of the state, in a word, upon the principles of martial law until the security of the new order is firmly established. The transformation of capitalism into socialism means revolution, and that implies an experience akin to that through which Russia has passed.

I do not see how it is reasonable to deny the possibility — to put it no higher — that the communists are right. The threat of war is implicit in our society, and war means revolution all over the world. Even if that revolution assumed a Fascist form, communism would be its inevitable antithesis; and, in that event, sooner or later communism would move to the assault. To avoid the threat of war, the degree of self-reformation which capitalist states must undertake would leave them unrecognizable as capitalist. The observer of England, of America, of France is entitled to doubt whether there is in the possessing classes of any of them that will to self-reformation which would make it effective. The change of heart required would involve a transvaluation of all values, the supersession by agreement of money as the dominant motive to action. It is only the acceptance of new

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values with an intensity almost religious in character which could effect that supersession; and that possession of a body of alternative values held with religious intensity is, to put it quite bluntly, practically a monopoly of the communists at the present time.

That, indeed, is the secret of its strength. Its devotees believe in it with a faith so absolute that there is no sacrifice they are not prepared to make in its name. Communism has succeeded in Russia for the same reasons that brought triumph to the Jesuits, the Puritans, the Jacobins in an earlier period. Willing the end, the communists have not shrunk from the application of any means likely to attain that end. They have consistently opposed an unshakable will to the resistance they have encountered. They have disdained both compromise and hesitation. In the service of no other social system in the world today can it be said that these qualities are enlisted. No one defends the acquisitive society save in the most mitigated terms. No capitalist society could attempt experiment on the Russian scale without risking the willingness of the working-classes to observe the demands of law and order. Not even the most intense propaganda in capitalist countries has prevented the working-classes from feeling a proud interest in every success the Russian experiment can show. "Perhaps," wrote Mr. Keynes,[6] "Russian communism does represent the first confused stirrings of a great religion." That is a widespread and growing feeling among all who are disturbed by the contradictions of capitalism; and it is an emotion far more profoundly diffused among the workers than is realized by the rulers of alternative systems.

The unity, in fact, of capitalist society has been broken. No country is prepared to pay the price which its simple rehabilitation demands; and to attempt the enforcement of that price would involve disorders of which no one could predict the outcome. That is the significance of the point made earlier in this essay that the Russian revolution shapes the perspective of men's thoughts. Lower the standards of life, whether by decreases in wages or by economies in social legislation, diminish the worker's security, sharpen the contrast between poverty and wealth, and it at once comes into the worker's mind that in Russia, if the standard is low, it is rising, and that the hope of still greater rises is profound, that all social legislation is in the proletarian in-

[6] "Essays in Persuasion," p. 309.

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terest, that the contrasts between poverty and wealth are largely without meaning. A state has been built upon the exaltation of the common man; it is inevitable that the common men of other states should have its existence and its possibilities increasingly in their minds.

Capitalist society, in other words, is running a race with communist society for the allegiance of the masses. The terms upon which the former can be successful are fairly clear. It has to solve the contradiction between its power to produce and its inability to distribute income in a rational and morally adequate way. It has to remove the barriers which economic nationalism places in the way of an unimpeded world-market. It has to remove the fear of insecurity by which the worker's life is haunted. It has to end the folly of international competition in wage-rates and hours of labor; it has to find ways of saving Western standards from the slave-labor of the East. It has, not least, to cut away the jungle-growth of vested interests which at present so seriously impair its efficiency. Even a capitalist society will not long endure the spectacle of the cotton and coal industries of Great Britain or the power-trust in the United States. Above all, perhaps, it has to find some way of removing from the clash of competing imperialisms those structures of armed power which, clothed in the garb of national sovereignty, make certain the perpetual threat of insecurity and, born of it, the advent of war.

Let me emphasize again that to meet successfully the challenge of communism a capitalist society has to show itself immensely more successful than the former. This does not, of course, mean that communism, in its Russian expression, does not confront its own grave problems. Broadly, they are of two kinds. It is necessary, by economic success, to maintain the exhilaration, the enthusiastic will to sacrifice, of the first great period of striving; and it is necessary, in the second, to relate Russia more adequately to the conditions of the external world. For, in the context of the first condition, it must not be forgotten that Russia was to some extent fortunate in her situation. Not only was she dealing with a people accustomed to the psychology of an autocratic discipline; she was also able to take advantage of a profound patriotism engendered by external attack. The Soviet State cannot go on perpetually demanding the postponement of consumption for the sake of a future which does not arrive. They must come to a point where the maintenance of enthusiasm for the new régime is the

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outcome of having conferred tangible benefit. Nor will it be possible over any considerable period to maintain the dominating grip of the Communist Party over the whole political life of Russia. That grip has been acquiesced in because of the social circumstances confronting the new régime; no acquiescence in a dictatorship is ever permanent in character. There must, that is to say, not only be economic success in the new Russia; there must come also a time when restriction is relaxed and room is found for the admission of freedom. The permanence of communist society depends upon its ability to meet these issues creatively. For any new social order that seeks to become universal must be able to correlate its economic advance with spiritual growth.

No doubt, of course, spiritual growth, and especially that temper of tolerance which is the groundwork of all intellectual achievement, is, in its turn, dependent upon economic advance. Periods of revolutionary poverty rarely synchronize with periods of great scientific or literary production; for the atmosphere of dictatorship, the pre-occupation with material well-being, are stifling to that atmosphere of experiment upon which intellectual advance depends. It is not accidental that neither the Puritan nor the French Revolution has left behind it a great cultural impact upon the mind of the world; the spiritual fruits of each were gathered after men could in leisure and in safety seek to probe their implications. It is therefore reasonable to argue that the success of Russian communism depends upon the maintenance, at least for a considerable period, of world peace. For if Russia becomes involved in any serious military conflict the transformation of its energies will dangerously impair the prospect of its economic policy. More than this, the intensification of the dictatorship involved in war might easily, if the struggle were at all prolonged, result in the kind of internal conflicts within the Communist Party which, in the French Revolution, made ultimately possible the emergence of Napoleon.

It would be folly to deny the possibility of Russia becoming involved in war within the next decade.[7] The clash of interests with Japan in the Far East is a grave one. The fear of the effect of Russian exports of butter, timber, oil, coal and wheat on a depressed market already gives birth to those economic reprisals out of which war has so often come. The instability of Europe is fed by Russian propaganda; and the very fact that communism

[7] On this see Mr. R. D. Charques' admirable résumé, "The Soviets and the Next War" (1932).

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expects a world-revolution to come by way of war gives to that propaganda the psychological perspective which so easily makes expectancy fact. The failure of disarmament, the dissatisfaction of minorities, the intensity of social revolutionary movements in the East, all of these point to that kind of collapse in the system of international regulation which is the prelude to conflict. And it is useless to deny that there are, all over the world, important interests which would welcome an attack on Russia before its success is beyond question as the surest way of ending that implicit challenge to capitalist society which it represents. Certainly militant communism and militant capitalism cannot exist side by side, especially in a period of serious economic stress. It is important that Moscow is the Mecca of the discontented and disinherited of the whole world; it is not less important that Moscow is ideologically driven to the encouragement of their hopes. No one who surveys at all objectively the relations of Russia with the external world can possibly be optimistic about their outcome.

I do not think that a war against Russia would destroy communism there though I believe it would enormously increase the price of its accomplishment; but I do believe it would be fatal to the maintenance of capitalist society at least in Europe and the Far East. Probably its cost would be a period of anarchy comparable to the Dark Ages, with every sort and kind of dictatorship emerging to supply for brief periods an uneasy semblance of order. Ultimately, I think, Russia would be the first state to emerge from that chaos with something like the hope of recovery; and its authority, under those circumstances, would be far more compelling than it is today, its challenge more direct and explicit. In the long run, in a word, the price of challenging communism to military conflict would be not its defeat but its victory.

IV

The future of communism is a function of the capacity of capitalist society to repair its foundations. The success — despite the appalling cost — of the Russian experiment has made it the one effective center of creativeness in a world which, otherwise, does not seem to know how to turn its feet away from the abyss. Capitalist society since the war has adopted every expedient of self-destruction. The Peace of Versailles, the tangled mess of war-debts and reparations, the struggle for power concealed beneath the myth of national sovereignty, the failure to respect the

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League, all of these were implicit in its ultimate disrespect for moral principle. The social habits of its votaries, its literature with its insistent note of cynical skepticism, its philosophy which sought refuge in mysticism and impulse to shut out the still small voice of reason, a press which (not least notably in its dealing with Russia) could make miraculous propaganda but could not tell the truth, its religions in decay, its political and economic institutions hopelessly remote from the realities they confronted, its leaders like straws caught in the eddies of an ever-quickening stream — it is not in such a society as this that one looks for the spring of a new hope. On the credit side, no doubt, there was a science more renascent than at any time since the seventeenth century; but it was also more dangerous because the formula seemed lost by which it could be bent to social purposes.

Such a society cannot meet the challenge of communism, because its faith in itself is not sufficient to give it a victorious destiny. It may postpone defeat; it cannot finally elude it. For in the conflict of ideologies victory always goes in the end to men who are willing to sacrifice material power for spiritual conquest. Communism interests the new generation because, alone among the welter of competing gospels, it has known how to win sacrifice from its devotees in the name of a great ideal. It offers the prospect — the clue to the success of all the great religions — of losing one's life in order to find it. There is poverty, there is intellectual error, there is grave moral wrong; but there is also unlimited hope. These have been characteristic of all great religious movements. They do not seem to disturb their power eventually to triumph.

The chance for a capitalist society in contest with communism lies in its ability to remake its own creed. Its danger is the ease with which it attacks the symptoms of communism instead of its causes. It is afraid of the propaganda of the Third International instead of the conditions which make that propaganda fall on fertile soil. It is afraid of the bold imagination which underlies the Five Year Plan; but instead of planning more boldly and more imaginatively itself, it spends its time dourly foretelling its inevitable failure. It attacks with passion the outrageous injustices of which communism has been guilty, its stifling of initiative, the reckless cruelty of the Ogpu, the relentless attack on the Kulaks. But it does not stay to remember that its own Sacco-Vanzetti case, the Polish treatment of minorities, the dreary wastage of its own unemployment, bear the same lesson

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to the masses, and that for them the costs of Russia are expended for the advantage of the many, while the costs of the capitalist society are paid for the profit of a few. There is an uncomfortable sense in the world that what is happening in Russia may be the prelude to a renaissance of the human spirit. There is no such prophetic confidence in capitalist society. Its very leaders look less like great adventurers than men who scan a gray horizon without confidence of a dawn.

The principles which govern capitalist society are, in fact, completely obsolete before the new conditions it confronts; and it seems to lack the energy to bend itself to their revision. It needs a new scheme of motivation, a different sense of values. It needs the power and the will to move from the era of economic chaos to a system which deliberately controls economic forces in the interests of justice and stability. To do so there are required far more pervasive international controls, on the external side, and far greater equality in matters of social constitution, on the internal. To find equilibrium by the blind adjustment of competing interests is simply to court disaster. Yet, generally speaking, the men who govern the old world can think in no other terms.

It is true there are men about us who voice a different philosophy. Rathenau, Keynes, Salter — these have endeavored, as best they could, to insist that the way to survival lies along the road to profound reconstruction. They have seen that a temper is required which gives new significance to the claims of the common man, which recognizes the dangers inherent in a system which identifies self-good and social. They admit the need for sacrifice as the price of reconstruction. They see all the cost involved in a clash of ideologies which seek to test their respective strengths in terms of power. But theirs, if I may say so, is an aristocratic approach, a cool and skeptical impatience of dogma, a passion for the rational solution of questions in their nature essentially rational, of which the appeal is by its nature a limited one. They underestimate the inertia of the existing order, the irrationality with which men will cling to vested interests and established expectations even when their title to response is no longer valid. Given something like a geological time, such rationalism might prevail against the passions which stand in its path. The tragedy of our present position is that the voice of the Mean is unlikely to win attention until humanity has been sacrificed to the call of the Extreme.

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THE FASCIST DECADE

By Count Carlo Sforza

THIS year completes a decade of Signor Mussolini's rule in Italy; but it would not be fully accurate to say that it completes a decade of Fascist dictatorship. The Fascist dictatorship in its present characteristic form began only on January 3, 1925, when Signor Mussolini declared in Parliament that he took upon himself responsibility for the murders and other forms of violence which had torn Italy since the advent of Fascism in the autumn of 1922.

I have hesitated to accept the task of writing about this period. I resigned the Paris Embassy on the advent of Fascism, and maintained my resignation despite the written request of the present Prime Minister that I continue to collaborate with him; and in the Senate I always spoke — so long as speaking was possible — and voted against Fascism. I feared, therefore, that I might lack the needed objectivity. But then I began to consider whether after all there is any such thing as complete historical objectivity. And I concluded that the best French historian would find it difficult to speak serenely about Louis XIV if he were a democrat, and that an American scholar might not do full justice to Jefferson if he happened to be a Republican . . . But this much one has a right to expect of an historian: intellectual probity. In the present instance, intellectual probity will lie in the fact that I shall be on my guard against my own political opinions and that where I make statements of fact I shall try to be certain that they are indeed facts. If at the beginning I have recalled my personal situation, it is in order that my readers might beware, if they like to do so.

After ten years of rule, eight of them absolutely dictatorial, a régime might fairly be judged on its results. But although much has been written on the nature of Fascist doctrine, it may first of all be useful to sum up the characteristics of the Italian dictatorship, not as they were stated by early admirers and enemies of the régime, but as they stand out in comparison with such dictatorial régimes as have prevailed in Europe since the fall of the most conspicuous of them all, the Empire of the first Bonaparte.

In the first place, friends or foes are bound to admit that there

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is an immense difference between Fascism in power and Fascism as a revolutionary movement immediately after the war. That early Fascism was not lacking in a certain sincere and naïve passion for democratic renovation; the movement recruited its adherents from amongst the ex-service men home from the trenches, men who did not want to belong either to the Catholic organizations or to the Socialist Party, which in their eyes had been guilty — especially the second one — of having been averse to the war. But this Fascist movement was entirely lacking in political experience or tradition; in the main it was given substance by Syndicalistic doctrines such as those preached before the war by a French writer who had gained more vogue in Italy than in his own country, Georges Sorel. It was mainly his theory of "violence" which most appealed to those crude youths who had just stepped out of the unsurpassed violence of four years of war.

Had this movement found a really strong personality to guide it, as happened in the case of the Russian Bolsheviks with Lenin, Fascism might perhaps have represented a genuinely original historical phenomenon. Such was not the case, however. The political ripeness and originality of its leader may be judged by the program he wrote for his party in 1919, a demagogic program in which momentous aims such as the abolition of the Senate, of compulsory service and of stock exchanges were thrown in at random on a par with the suppression of titles of nobility and of orders of knighthood.

When chance and the infinite stupidity of the Facta cabinet brought this movement and its leader to power at the end of 1922, and events turned to tragedy, there rapidly occurred the transformation of what had been revolutionary Fascism into the most complete police State ever seen in modern times. It was its way of meeting the growing opposition of the masses.

Almost all the present laws of the Fascist régime are reproductions of measures invented by the government of Napoleon III between 1852 and 1867 to destroy the French democratic opposition. Napoleon III kept up Parliament as a decoy but reduced it to impotence, and so did Fascism. Napoleon III made the prefects of the provinces omnipotent, and so did Fascism. Local government was destroyed under the Second Empire; and the same happened in Italy with much more serious consequences, since in municipal life the Italians are amongst the best in Europe — a legacy of the old Italian love for the *libero Comune*. In the

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two periods similar laws were enforced to get rid of judges who refused to obey governmental orders and to muzzle university professors, editors and publishers. Most historic and political parallels smack of literary artifice, but one cannot help feeling that seldom in history has an analogy been so complete as that between the French Second Empire and Italian Fascism.

The analogy may be detected even in the foreign policy of the two régimes — in the psychological motives prompting them (which is what really counts), if not in external appearances. And nothing is more natural, for régimes which have suppressed the freedom which the people formerly enjoyed seek to divert their minds with successes abroad, and when success does not come turn to boastings about imperialistic conquest in the future. The foolish Napoleonic expedition to Mexico finds, morally speaking, its equivalent in the Fascist expedition to Corfu (1923), Fascism's first attempt to show the Italian people its diplomatic capacities.

Compelled under British pressure to evacuate Corfu, Fascism had the wisdom to realize that the foreign policy of a great country could not be managed on the *Strafexpedition* lines which had been the main method adopted by the Fascists to seize power at home. And we had in 1924 an agreement with Jugoslavia, based on the principles of political and moral collaboration with Italy's new Eastern neighbor which I had inaugurated in 1920 with the Treaty of Rapallo and the anti-Hapsburg convention and which constituted an application of Mazzini's great conception in the fifties: the independence of the Balkan nationalities oppressed by Austria is the necessary corollary of the independence of Italy.

Unfortunately, a few years later Fascist diplomacy gave the impression of reverting to the old paths; and the intimate relations which grew up between Fascist Rome and the aristocratic oligarchy governing Hungary led the governments of Prague and Belgrade to believe that the Fascist régime was seeking success at their expense. Here again, to mention it for the last time, stands out a similarity with the Second Empire. Napoleon III needed to give the French "glory," and his diplomacy, in search of territorial conquests, fluctuated feverishly between one contradictory method and another: secret negotiations with Prussia to win the annexation of Belgium, and shortly afterwards a declaration of war on this same Prussia.

Fascism has often shown the same hesitations. The signature of

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the Kellogg Pact in 1928 is a case in point. Fascism did not dare not to sign. But the personal organ of Signor Mussolini, the *Popolo d'Italia* (he was its editor until the very day he became Prime Minister), commented as follows on the value of the Pact on the morrow of its signing:

> France, England and the United States may well speak with horror of the war which would alter the present *status quo;* but we, who breathe with great difficulty, we can but see in every League, in every collective move of those who have and will give nothing, an Insurance Committee working against the interest of the rising peoples. The result is that August 27 cannot be a feast-day for us.

In a speech in Parliament on December 8, 1928, Signor Mussolini himself, in an ironical mood, declared:

> We have signed the Kellogg Pact which I declare sublime, so much so that one might even call it transcendental. Were there other Pacts ahead we should hasten to sign them. But above, below and alongside of these Pacts is a reality which we may not ignore if we do not want to be guilty of high treason towards the nation. This reality is as follows. The whole world is arming. Every day the newspapers publish information concerning the building of submarines and other engines of war. We must not delude ourselves regarding the political state of Europe. When the storm is brewing everyone speaks of calm and peace, as it prompted by a deep urge of the mind. We do not want to upset the balance of Europe, but we must keep ourselves in readiness. None of you will wonder, and none shall wonder, if I ask a new effort of the nation, once its convalescence is over, in order to bring all its forces on land and sea and in the air to the point of perfection.

And one year later, on November 4, 1929, speaking to a Fascist gathering:

> Comrades, there is too much talk about world peace. We must not delude ourselves. Actually and truthfully no country is disarming. This gathering should take one resolution: that, if need be, all ex-service men will once more be ready to fight until victory be won.

Towards the League of Nations, Fascist tactics may be divided into three distinct periods: the first, all contempt and irony; the second, when Signor Grandi (appointed as Foreign Minister in September 1929) began admitting, under the influence of the permanent officials of the Foreign Office, that it was no use ignoring the League, the while his chief went on with his customary warlike speeches; the third, lasting until Signor Grandi's dismissal on July 20, 1932, during which time unanimity was reached in the Fascist language and everybody was advocating disarmament and Geneva collaboration.

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The first period corresponds too closely with the original slogans of Fascism to be worth while considering.

The second period began in 1930 when for the first time a Fascist Foreign Minister, Signor Grandi, went to Geneva as Italian delegate to the Council of the League. The *Popolo d'Italia* explained on January 12, 1930, that this change of tactics was made advisable by the need for "wary and vigilant" Fascist delegates to watch over the numerous "all-invading" advisory and deliberative bodies of the League. It added: "Too often the skepticism shown and boasted of by Italians concerning the work, authority and efficacy of the League of Nations has played into the hands of our adversaries, and contributed towards the success of certain shows of wordy pacifism and . . . imperialistic internationalism which a less indifferent attitude on our part would have lessened or even smothered in the cradle. Italy's share in the debates of the League of Nations cannot be either passive or merely decorative."

On May 9, 1930, Signor Grandi declared in a speech to the Chamber of Deputies that "the idiotic calumny" representing Italy "full of warlike truculence" had exploded forever. "Mussolini's Italy," he added, "asks only to be able to progress freely in a pacified and quiet Europe: the words equal rights and equal duties express the only foundation upon which one may build a lasting understanding."

The newspapers with the text of Signor Grandi's speech were still being read when his chief began a tour of the Tuscan cities. On May 11 he said to the Fascist crowds at Leghorn:

> Before your sea — that sea which is ours — after having visited your yards where keen workers are building the future war units, I want to say to you — and not only to you, but to the whole Italian people and to the peoples beyond our frontiers — that we do not desire hasty adventures, but that, should anyone strike at our independence or our future, he does not know to what a temperature I would bring the whole Italian people. He does not know how tremendously I would work up the passion of the whole Italian people if the Revolution of the Black Shirts were hindered in its development. Then the people, old and young, peasant and workers, armed and unarmed, would form one human mass — and more than a mass, a projectile, ready to be hurled against anyone, anywhere.

And six days later, in Florence:

> Nothing is more insulting to the pride of the Italian people than to doubt the fulfilment of our naval program. I here again affirm that this new program will be carried out, ton for ton, and that its twenty-nine units will put to sea. For

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the will of Fascism is not only of iron, it is also mathematical. We are never allowed to sit down and rest. We are strictly forbidden to do so, not only because of the exigencies of our internal situation, but also because of the new and unexpected ferments which are boiling in all directions. You will tomorrow see here an impressive army parade. It is I who ordered it; for words are beautiful, but rifles, machine-guns, ships, aircrafts and guns are even more beautiful. Tomorrow morning, in this array of armed forces, the world will see the strong and warlike face of Fascist Italy. For right without might is but an empty word and your great Niccolò Machiavelli used to say that prophets unarmed would perish. These lessons of history and experience are particularly suggestive and eloquent.

To prove that these and many other similar speeches were not mere outbursts of public oratory, the President of the Chamber of Deputies recalled them in a speech which he made two weeks later. He said: "The speeches, full of mettle and logic, which the Duce made to the crowds of Tuscany and Lombardy have given to this anniversary the savor and charm of an historic hour. Let us live this hour with our martial heart, accustomed to face fearlessly danger and responsibilities. Let us live it with the faith which led us to victory despite all obstacles and dangers. Let us live it convinced that Vittorio Venesto is but the first step of our irresistible ascent." And on the same day the Under-Secretary of Education, Dr. Bodrero, speaking at Venice, exhorted the young "to learn to hate; for where there is no national hatred, there is also no virtue." Many more documents might be gathered. But these will perhaps suffice.[1]

During the last part of Signor Grandi's tenure of office the discrepancy between the speeches for foreign and home consumption seemed, as I said above, to have been eliminated. The feeling both in Italy and in the rest of Europe was that the new tactics were dictated by the economic and financial situation, which (as we shall see in a moment) has been especially cruel in Italy. If world opinion was somewhat skeptical of this sudden turn, the partisans of Fascism should acknowledge that they therein simply paid the price for the style of their régime. When the policy of a great country depends upon one man, and on a man at that who has often changed, there is no assurance that a certain policy, newly adopted, will be lasting. The fact that the dictator's

[1] For further light on the foreign policy of the Fascist Government I refer readers to the following recent books. Reale: "La politique fasciste dans la Société des Nations." Paris, Pedone, 1932. Salvemini: "Mussolini diplomate." Paris, Grasset, 1932. Trentin: "La Fascisme à Genève." Paris, Rivière, 1932. The authors are well-known liberal writers opposed to Fascism. But they are intellectually honest, and their books are full of authentic documents.

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change may even be made in all good faith is of little importance: he also, in his turn, pays for the fact that he is no longer enlightened as to the demands of public opinion; a dictator ends by mistaking for the opinion of the country what is but organized praise prepared by his own press service.

One therefore understands the doubts expressed abroad as to the genuineness of Fascism's conversion to the pacific life. Mr. Walter Lippmann, one of the most thoughtful observers of world affairs, put it with his characteristic clearness when he wrote as follows at the time of Signor Grandi's visit to Washington:

> It has never been made quite clear in this country how it has happened that the Duce, who was talking about the beauty of machine-guns less than two years ago, is now the most eloquent apostle of peace and disarmament on the European continent. The transformation has been abrupt. It has not been accompanied by the usual debating and voting which, in the world Americans are accustomed to, precede a radical change of policy. It would be less than frank, therefore, to conceal from Signor Grandi the underlying fact that American opinion is as yet unprepared to believe that the apparent similarity in many of their immediate views of the European situation signifies that the two governments have a genuine community of purpose.
>
> It may, in fact, be said, that unless some way is found to clarify American opinion on this point, and to convince it that the present policies of the Italian Government represent a change of purpose and not merely a change of tactics, Signor Grandi's mission may have just the opposite effect from the one desired. For nothing could be more fatal to the purposes the United States will be pursuing this winter than to give the impression to Europe that it is aligned with the bloc of dissatisfied nations who seek by means of a radical revision of the territorial settlements to effect a radical redistribution of political power.
>
> The point, therefore, on which an understanding needs to be reached is whether Signor Mussolini's recent enthusiasm for disarmament, forgiveness of debts and treaty revision derives primarily from a desire for peace and stability, or from a belief that in subscribing to the liberal formulae which he once despised he has found a shrewd method of isolating France.

Personally I am convinced — trying to see things without party bias — that the changes which occurred in the phraseology of Fascist foreign policy were something more than a modification of diplomatic tactics. The point is that, hidden by the notes of a press which obeys as an orchestra obeys its conductor, a deep change — hardly visible to strangers — is asserting itself in Italian public opinion. Sensational speeches with no subsequent results have not only ceased to work; they have become a nuisance for the prestige of Fascism itself. And its leader has probably begun to realize that it does not pay to go on relying too much on the

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wild Fascists whom Theodore Roosevelt would have put in his "lunatic fringe."

The future alone will tell whether Fascism can renounce for good the risky nationalistic ideologies which are in such violent opposition to the democratic principle of international justice. Signor Grandi's sudden dismissal at the end of July 1932 has been interpreted as an indication that Mussolini is about to return to a war policy and to war talk. On the other hand, there are skeptics who assert that Grandi's disgrace simply reflects his chief's personal jealousy over the success of his peace speeches at Geneva. For the time being we can only come to the preliminary and obvious conclusion that it is not prudent, under a dictatorship, to become more talked about than is agreeable to the master.

The minorities problem in the form in which it has developed in Italy under the Fascist régime is linked with the whole general conception which Fascism apparently has of life amongst nations. That is why a short study of the question may be useful.

The problem was novel in Italy. Before the war Italy was one of the most homogeneous nations in the world. It was through the Treaty of St. Germain (September 10, 1919), which brought the frontiers of Italy to the natural confines of the Alps, and through the Treaty of Rapallo (November 12, 1920), the first of all post-war treaties to be based essentially on mutual understanding more than on force, that Italy received 215,345 Germans and 468,378 Jugoslavs. On December 1, 1919, opening the first Parliament elected after the war, the King solemnly said: "The territories newly annexed to Italy confront us with new problems. Our liberal tradition will show us the way to find their solution, in respecting autonomous institutions and local usage as much as possible. No trouble and no sacrifice should be avoided to the end that — after inevitable forcible measures — the return of these lands to their natural unit may not in their eyes represent a retrograde step or a decrease in prosperity. We know that in our subjects in the mountains and on the seacoast we shall find precious collaborators in the progress of the nation."

During the discussion in Parliament of the Treaty of Rapallo I made the following even clearer statement, which was strongly approved by the Chambers and by leaders of all parties: "We shall guarantee most ample liberty of language and culture. This will be for us at once a point of honor and an act of

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political wisdom. Let us be certain, therefore, that in this respect also our new citizens will soon feel satisfied in belonging to a Great Power which, strong in her incomparable culture, respects their local life with jealous care."

Facts were true to words; and the administration of the new Italian provinces, as long as the Liberal governments were in power in Italy, could be pointed to as an example of real respect for the rights and traditions of annexed populations, and also — I am proud to add as an Italian — as a model of political wisdom. If Liberal methods had continued, the national minorities would almost unconsciously have identified themselves in a few decades with the great body of Italians.

The exactions of Fascist rule have worked dead against the very aim which they pursued. Today the rift is deep. The Fascist Government has: 1, destroyed the provincial and municipal autonomy of the new provinces; 2, shut down schools teaching in any language other than Italian, and by every means eliminated the use of foreign languages in education, government, justice and the church; 3, changed even the family names; 4, suppressed rights of association; 5, suppressed all freedom of the local press; 6, forbidden any and every form of political life; 7, set up a rule of terror and violence, legal and illegal (though, truth to tell, not more violent than in the rest of Italy).

The suppression of provincial and municipal autonomy was particularly resented by the populations which had belonged to the Austro-Hungarian Empire, for they had possessed complete machinery for collaborating in political, administrative and social matters with the central government. The provincial Diets which existed in the Hapsburg realm exist no longer. Fascist authority changed the elected mayors for extraordinary commissioners or "podestà" appointed by the Fascist Party, who may be removed without explanation of any sort by the prefect or on orders from Rome. The prefect also has the right to join several "comuni" together or divide them up as he pleases.

On the other hand the Fascist régime seems to have been unable to realize that by adopting and intensifying the measures which the Hapsburg Monarchy used to suppress its Italian and Slav subjects, it has only mangled the victory over Austria-Hungary which cost the lives of 500,000 Italians dead on the blood-stained rocks of the Carso and on the Alpine chain. Italy's victory might have been one of the cleanest of the war; for it might have given

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not only independence to all Italians but also contentment to the peoples transferred from Austro-Hungarian to Italian rule. It was Mazzini's great dream. Fascism has destroyed it.

In yet another field has Fascism gone entirely against the Italian Liberal traditions established by Cavour in the fifties — in the relations of Church and State. In this field Fascism has made an achievement which one may criticize or approve, but which is important: the official reconciliation with the Vatican and the setting up of a Vatican State. These were the results of the Lateran Treaties signed on February 11, 1929.

I have written "official reconciliation." A *de facto* conciliation existed already under the Liberal governments; one may even add that to most European statesmen it appeared the embodiment of practical wisdom. As I have explained at length elsewhere,[2] the Popes used to declare in an encyclical, every two or three years, that the state of things created for them in Rome by the Italian Government was "intolerable;" the Italian Government took care not to make any answer. On the following day — as on the previous day — confidential agents from the Vatican would come to see Italian officials (or sometimes the Italian Minister himself, as more than once happened to me) and quietly and successfully arrange questions such, for instance, as those concerning Italian missionaries and bishops abroad. The settlement of this question is now quoted as if it were something new, and is painted as one of the advantages the Italian Kingdom will reap from the Lateran agreements.

Benedict XV, the predecessor of the present Pope Pius XI, did not in the least favor the schemes brought forward by Germans during the war for the reconstitution of a small papal state. His essential aim was the maintenance of the old Italian Law of Guarantees which had satisfactorily worked since 1871, but backed by a new Christian-Democratic Party, strong enough to withstand any possible (if improbable) anti-clerical excesses from the Left parties. But Pius XI (contrary to Benedict, who was probably the most intelligent of modern Popes) was and is hostile to ideas of liberty; moreover, he is a scholar grown up in libraries, afraid of life, and believing that a treaty provides safer ground than the eternally shifting sands of democracy. The Fascist régime was

[2] "Makers of Modern Europe." Indianapolis: Bobbs Merrill, 1930. Chapter XXXII, "Pius XI, or The Roman Church and Fascism."

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ready to pay any price to win the moral prestige which reconciliation would bring. So the treaties were signed.

Who is the winner? To my mind, neither the Church nor the State; for both are faced with the danger of some future reaction, which might bring forth a harvest of violence in the religious field such as the tolerant history of Italy has not yet seen. If either has gained it is the Fascist Government. At any rate, the transaction has given it the certainty that the Vatican, at least for as long as the present Pope is alive, is bound — out of common interest — to support it.

About the economic situation of Italy during the Fascist régime much has been written. But the control over debates in Parliament and the muzzle on the press have eliminated the best sources for an investigation. The Fascist Government may be right in complaining that certain criticisms of its economic policy are unfair; if so, these could easily be disposed of if impartial writers could draw on the sources of information which usually are available in a free country.

The economic situation of any one country may be studied at present only in the light of the world crisis. It may be difficult, therefore, for foreigners to realize that the present Italian economic crisis has not very much to do with the general world crisis. The general world crisis is a crisis of over capitalization, while the crisis in Italy is one of lack of capital. There are direct proofs of this assertion. The Italian crisis began several years before the American and general crises — precisely, between 1924 and 1926. Evidence is found in statistics like the following:

1. *Bankruptcies.* In 1922, the last year of the pre-Fascist régime, there were 3,607 bankruptcies; in 1926, after four years of the Fascist régime, this figure had more than doubled, *i. e.*, it had reached 7,631; in 1927 it had become 10,366 and in 1929 it had reached 11,106. In other words, the greatest increase in bankruptcies took place before the American crisis and only under the influence of the Fascist administration.

2. *Unemployment.* In 1926 there were 181,493 unemployed in Italy; in 1927 there were 414,283; in 1928, 439,211; in 1929, 489,347.[3] Which proves that the most serious jump in unemployment took place before the American crisis.

3. *Reduction of foreign trade.* In 1925 Italy's imports were val-

[3] These are the official figures. In reality the unemployment situation is infinitely more serious.

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ued at 26 billion lire; the figure was 22 billion in 1928. The value of Italian exports during the same period fell from 18 billion lire in 1925 to 14 billion in 1928.

Still another proof that the Italian crisis is different from the international one and that it is in part due to special causes may be seen in the fact that the general crisis has been accompanied by a slump in prices, while prices in Italy have had a tendency to rise — a tendency fought against in vain by Fascist police regulations. Nor could it have been otherwise, in view of the increasing lack of capital revealed by the feverish quest of the Fascists for loans.

What, then, have been the real causes of the Italian crisis? The general cause is found in the squandering of capital on the sort of unproductive expenditures in which dictatorships always indulge — unnecessary public works, the upkeep of the 300,000 men of the Fascist militia, and so on. One specific cause was the revaluation and stabilization of the lira, which Signor Mussolini fixed in 1928 at an exceptionally high rate, despite contrary advice from American experts. While France stabilized her franc at 25 to the dollar, Italy, a far less wealthy country, stabilized the lira at 19 to the dollar. Only in one event might stabilization at such a rate, determined solely by considerations of prestige, have caused less serious harm — if the government had reduced taxation and expenses in proportion to the new value of its monetary unit. But nothing of the kind was done in Italy. Taxation and public expenses constantly increased.

The Fascist Government committed another specific error which had bad consequences of no trifling importance in the present Italian crisis. It practically forbade emigration. Before the war the annual exodus of some 600,000 Italians contributed largely to Italian prosperity. After the war, as a consequence of various foreign restrictions, these figures went down to 300,000; but even only 300,000 were still an effective source of riches for Italy. Then, as part of his scheme of international pressure, Signor Mussolini invented his slogan, "Expand or explode," and forbade all emigration. In this way he dried up a source of important revenue and aggravated the Italian economic situation.

No wonder, then, that long before the American crisis — to be precise, two years before — American monthly consular reports began giving most pessimistic accounts of the Italian economic situation. That this was not predestined, that the Italian economy might have come fairly well through the general crash, is indicated

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by the fact that the American crisis of 1921 (which was also very serious) had not the least adverse influence on the Italian economic situation of the time. Because I was in power with Giolitti in 1920 and 1921 is no reason why I should pass over in silence the fact that, thanks to the drastic, honest decisions of the old Liberal leader, the recovery from the morbid war inheritance began in Italy in 1920 and 1921. If the first years of Fascism seemed prosperous, it was because the courageous plans devised by Giolitti were bearing fruit.

After ten years of Fascism the results of its financial policy may be summed up as follows: a tremendous decrease of Italian agricultural and industrial exports; unemployment, much greater than official statistics show; an increase in tax burdens to an extent which people who belong to naturally rich countries can hardly realize.

It would be impossible in the bounds of a single article to study otherwise than rapidly, and therefore inadequately, the whole series of problems — administrative, colonial, educational — which have, at least in the moral field, a bearing on the subject which we are considering. Instead, I shall single out one of these, the draining of marshlands and swamps, because readers will find in it two traits common to all the problems of Italian life under Fascist rule: the cleverness of the advertising policy of the Fascist régime; and the way in which this policy — contrary, I am willing to believe, to the intentions of its authors — always ends in the abuse of the secular efforts, as splendid as they are silent, of the Italian nation.

This, indeed, has been the terrible punishment of those Fascists whose sincere thought it was to serve their country: that, in order to praise a régime and exalt an individual, they have been obliged to throw mud on their own nation, asserting, or at least tacitly admitting, that Italians needed Fascist castor-oil to keep in the right way, and that they are so degraded that they positively like to be bowed under the Fascist bludgeon.

It is a favorite legend of the Fascists that only Fascism could have saved Italy from Bolshevism; while the truth, of course, is that all revolutionary danger had disappeared by the time Fascism came into power.[4] A minor legend of later years, but a

[4] Signor Mussolini himself wrote in his *Popolo d'Italia* on July 2, 1921, eighteen months before his appointment as Prime Minister: "To say that a Bolshevist danger still exists in Italy means taking base fears for reality. Bolshevism is overthrown."

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tough one, concerns the marvellous work done by Fascism in reclaiming lands. This is one of the sad cases where the interests of a faction go counter to the good name of a country. The truth is as follows. The Italian people, very densely settled on a very poor soil, has always been one of the most tirelessly laborious people on the face of the earth. The creation of agricultural Italy is the work of the Italian people. Thus the rich plains of Lombardy were, until the fifth century, nothing but a string of desolate swamps. Professor Valenti, one of the greatest European authorities on agrarian questions, wrote in 1919: "The richest Italian lands, in Lombardy, around Bologna, and in the Venetian provinces, have all of them been slowly reclaimed through long generations of workers, helped by capital." The progress of this agrarian revolution since the unification of Italy in 1860 is shown in the following figures: *Lands tilled and sown:* 1869, 12 million hectares; 1914, 13 million hectares. *Meadows and pasture lands:* 1864, 7 million hectares; 1914, 10 million hectares. *Wheat output:* 1864, 36 million hectolitres; 1914, 50 million hectolitres. *Cattle:* 1864, 18 million head; 1914, 27 million head.

A general survey of all lands to be reclaimed in Italy was made in 1882. It recorded a total of 1,839,411 hectares. At the end of 1922, 840,000 hectares, or nearly half of the total, had already been reclaimed, and work had been started on an important part of the remaining 999,000 hectares. It therefore is impossible that between 1922 and 1930 the Fascist Government has done anything more in this field than the previous Liberal government did. True, in December 1928 a law was passed stating that all unreclaimed land should be reclaimed within fourteen years; but this law only became effective in 1929. It is evident, then, that the Fascist boast of having reaped wheat on lands which were reclaimed by the energy and foresight of Mussolini has no foundation in fact.

In this, as in other forms of political activity, Fascism has probably copied the Soviet Government. In Russia, the State, source and sole regulator of all life — just as Fascism wants to be in Italy — has decided on a momentous industrial and agrarian transformation, to be carried out in a comparatively short lapse of time. But in Rome they forgot there is an important difference between Russia and Italy. In Russia it was a question of changing the cultivation of lands which are amongst the richest and most fertile in the world; for those lands, little is needed but ma-

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chines to plough, and men able to do the simplest sort of agricultural work. In a word, the main element — the land — exists already in Russia, and work on it gives immediate results. In Italy the situation is just the reverse. Therefore an artificial reclamation policy is a drain on capital, which in consequence is lacking for more immediate and productive agricultural enterprise.

Readers will understand that I have lingered on this apparently technical problem because it is an example — one of many — of the way in which a régime responds to the need for cultivating prestige even (if it must) in opposition to the real progress of a nation.

From a moral point of view, which is, after all, what matters most, there is the risk that a policy of show and prestige, accentuated by the unanimity of a press bound never to admit a criticism and always to declare everything marvellous, will end by having an unfavorable influence on the critical sense of a nation. We have all of us seen traces of this pernicious result among the Russians, whose ability to think originally and freely has singularly coarsened under Soviet dictatorship. That is one of the most painful thoughts for Italian patriots who love their country and revere its traditions.

Mental prostration before dogmas and formulae and men (exalted today on order, forgotten tomorrow on order, as now happens constantly in Soviet Russia and in Italy), must be, in the long run, morally degrading. Whoever has travelled in the East has seen races poisoned incurably by long generations of subjection to despots.

Thucydides said of old: "The strength of a city is not ships or walls, but men." Sharing that belief I conclude that even though a dictatorship may accomplish so much good as to have "the trains run on time," the net effects none the less will be lethal to the nation. I sometimes wonder to what extent Americans still remember Samuel Gompers. Of all the thousands of idealistic utterances during the Paris Peace Conference few seemed to me as rich in deep, whole-hearted sincerity as the following sentence of the American labor leader: "Men do not know how safe a thing freedom is."

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SECURITY: KEY TO FRENCH POLICY

By Louis Aubert

EVER since the war, and in spite of the victory of France, security has remained the cornerstone of French policy. Many Americans think it a French obsession! With her former enemies disarmed, possessed of the strongest army in Europe, with an array of allies, France seems to them to have security and to spare. They suspect that her real thought is to buttress up her hegemony over the Europe created at Versailles by entangling the United States in a policy which sooner or later would bring the American fleet and an American army back to Europe. On that basis, security seems to Americans a dangerous concept. Much simpler and more satisfactory, they consider, is the strictly technical method suggested by President Hoover, which would preserve the ratios of security now existing, but at smaller cost as a result of simultaneous reductions in armaments. Once these had been realized, confidence would be restored.

For France, however, the concept of security is a fundamental one. France underwent four long years of invasion. Victorious at last, she shouldered half the burden of repairing the destruction wrought on her soil. She has already reduced her armed forces to a level which she regards as disquieting in view of the vigorous way in which armies sprout in neighboring countries — in some cases regular armies which may one day combine against her, in others auxiliary organizations whose civil status fails to conceal their military character. Along with the armies, too, sprout imperialistic aspirations based on steady increases in population. Moreover, the type of civilization which France has worked to establish outside her own borders seems to her as vulnerable at the present moment as her frontiers themselves.

In the first phase of its deliberations the Geneva Conference did not get so far as to discuss this concept of security. But once the Conference reassembles, once it turns to the question of putting into practice the technical provisions in the draft resolution and of proceeding with an actual reduction in armaments, then there will be no possibility of avoiding it.

I

To a country security is much like health to an individual:

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it is its instinctive sense of the sort of balance it must preserve in the particular environment in which it has to live. The importance of environment on such perceptions of balance could not be better illustrated than by the difference in the views regarding security held in the United States and in France.

Those two countries share the same desire for peace. Working hand in hand, they elaborated and jointly proposed to the world the Pact of Paris, which outlawed war and made obligatory the pacific adjustment of all international differences. They have never fought each other; they have often fought side by side; they can in all sincerity exchange oaths that no part of the armaments of one country is directed against the other. Nevertheless, their philosophies of peace are altogether different, and the differences arise far less from any difference in ideals than from differences in the special situations in which the two countries have been placed by nature and by history.

The United States insists on installing batteries of eighteen-inch guns at Hawaii and Panama. It defends its right to build and use capital ships of 35,000 tons, and heavy bombing machines. It is unwilling to give up a certain number of wide-radius cruisers of the *Washington* class, with guns outranging other types of cruisers.

The positions adopted by the United States in these matters are so many reflexes scientifically adjusted to different shadings in the American sense of security.

As regards the American continent the United States feels quite at ease. It is protected by two oceans. The territories lying across its borders are vast and sparsely inhabited. Protected by these shields of space, reënforced by a naval covering, the United States will always have time to mobilize against any aggressor its full human and material resources — the resources of a country of a hundred and twenty-five million people who are industrially the best equipped on earth.

But though the people of the United States have thus received as a gift from nature a territorial security that is virtually complete, they do not feel entirely secure in other directions. Perhaps thousands of miles away, in Manchuria for example, or in some part of the Western hemisphere, values which they regard as essential might come into jeopardy. Some maritime power disposed to act as mistress of the seas might interfere with their freedom of trade. Or it might try to force its own interpretation

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of the right of peoples to self-determination and immunity from colonizing enterprises. Or it might question the right of the white race in America to protect itself against dangers of disintegration that might possibly result from wars among the European peoples, or against the expansion of the colored race on the American continent.

That is why American security is based on a weapon and a policy. The weapon is the American navy. Its total tonnage must equal the tonnage of the greatest navy elsewhere in the world, and the various classes of its ships must be adapted to the various requirements of the policy. That policy comprises the maintenance of the Open Door in the Far East and the Monroe Doctrine in the Americas. It also comprises the freedom of the seas and the maintenance of world peace. There remains the question how to discourage war. The United States feels instinctively that one way to do that would be by weakening the power of attack in such a way as to strengthen the defense, and by a proportionate reduction of all existing armaments. Those are the basic principles of the Hoover Plan.

But can France have exactly the same idea as to how peace should be organized?

French territorial security is not a gift bestowed by nature. Suppose New York or Washington were, like Paris, some two hundred miles as the crow flies from the frontier. Suppose the factories of New England or the mines and steel mills of Pennsylvania were situated, like the French industries of the north and east, a few miles away from a border that has been crossed in a few hours by enemy armies, which then it has taken years of struggle to dislodge. Under those circumstances the man in the street in America would find it easier to understand what security means to France!

A partial guarantee of such security would be fortification. But a frontier cannot be fortified throughout its length — that would be ruinous. Nor could the forts be manned continuously and adequately for actual defense — that would require a very large army. The frontier therefore can be forced; and that fact obliges France to base her security on weapons of counter-attack, suitable for expelling an aggressor who has invaded her territory and entrenched himself there. The weapons fitted for that work include the heavy field-gun and the tank. It was no mere coincidence that the French argument at Geneva in favor of the tank,

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considered as a weapon of defense, corresponded point by point with the American argument in favor of the weapon which the United States regards as its basic instrument of defense: the capital ship.

"Covering" against danger of an attack by land nowadays implies the simultaneous and immediate mobilization of three branches of service: the army, the navy and the air-force. Each of the three is necessary for the complete mobilization of the other two. The possibility of a sudden attack, and the interdependence of the arms just alluded to, are the essential elements which France must take into account in planning her security. There is no alteration in the security of the United States if the navy, its weapon of main reliance, with a tonnage equal to the tonnage of the strongest navy elsewhere in the world, is reduced in strength in a ratio corresponding to reductions in other navies: the defense in American waters would still have the advantage over an attack coming from far away. In the case of France, the maintenance of her proportionate strength as compared with the strength of her neighbors, assuming that a strict and equitable basis for calculating such proportions could be found, is not the whole of the problem. A certain relation must be maintained in national armaments taking account of the interdependence of their various arms; and the matter becomes very complicated when the mobilization of home armies and colonial armies is involved. It was, of course, a great point in favor of France that President Hoover took the interdependence of the different arms as one of his basic principles, and that he distinguished between forces required for policing at home and in colonies and forces required for national defense and for the execution of international obligations. However, the French policy of security is especially concerned with the relations between the armaments of the various countries and the special natures of their security — their geographical situation and other special conditions. The Hoover Plan, on the other hand, takes it for granted that there is no difference between national armies standing face to face on the continent of Europe and great navies separated by thousands and thousands of miles of ocean: it assumes that if there is the same percentage in armament reduction everywhere, existing ratios of security will not be disturbed.

France is vulnerable not only as regards the situation of her territory. She is vulnerable also as regards the type of civilization

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which she stands for in Europe. She is insecure along the Vistula and the Oder in just the same sense that the United States is insecure in Central or South America. France stands in Europe for the right of peoples to dispose of themselves, as against the imperialism of numbers which would make the weaker countries colonies of the stronger. According to the French way of thinking, nothing is more flexible than the so-called "economic predestination" to which the imperialism in question appeals; while nothing, on the contrary, is more inflexible than the resolve of those weaker peoples not to be enslaved. To disregard such resolves in any plan of European reconstruction would, in French eyes, be dangerous and stupid. The trouble with not a few schemes for revising the treaties is that they are not concerned with rectifying errors of detail, but instead call into question the very principle which brought freedom to peoples held in subjection for long centuries. The French army in Europe, like the American navy in the Western hemisphere, is defending the will to freedom against any return to the spirit of the past.

Of what use will French man-power and industry be to France if they cannot be brought into action until after the invader has occupied certain vital districts where French resources are concentrated? What guarantees has she against such a peril? The idea of strengthening the defense is a most interesting one, and on it final agreement will have to be reached; but does applying it mean simply that Germany is to be deprived of her armament? Is that a sound conception? Attack and defense are two rhythms in battle, and oftentimes they are going on at the same time. An army is never attacking and never defending everywhere along its front. Attack and defense, defense and counter-attack, intermingle in tactic. No, the real antithesis is not between attack and defense, but between aggression and resistance to aggression, for the latter are strategic intentions altogether distinct from each other. Now can the spirit of aggression be wholly accounted for and dealt with under the heading "special materials"? When such materials have been done away with, will aggression be paralyzed? A nation which premeditates violation of the Covenant of the League and of the Pact of Paris will not fail, if it is able, to provide itself with prohibited materials or to profit by the advantage accruing from some technical invention that would give superior efficacy to authorized calibers and tonnage. But even disregarding such secret advantages, an

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aggressor, since he is executing a surprise attack, does not need the more powerful weapons: he requires the weapons which can be moved rapidly and served by a courageous and well-trained personnel; whereas in counter-attacking upon an aggressor who is already fortified and on his guard, the defense requires weapons of great power.

It was with a view to obviating all these technical uncertainties, at a time when all the nations of Europe need to be reassured against the risks of sudden invasion, that France has always been in favor of a political organization of the common action envisaged in Article VIII of the Covenant — one of the ideas basic to the League of Nations. The certainty of common action is the only thing that can make up for differences in geographical situation and for the special conditions in which the various European countries find themselves. It is those differences that stand in the way of a simultaneous reduction in armaments.

II

Common action may assume a number of forms, and France has put them forward in succession in the course of the past ten years, bringing them all together, finally, in her proposal of February 5 last. In the first place, on the assumption that there are to be national armies only, common action may mean mutual assistance, which may be of general or merely local scope; an instance would be the Rhineland pact among the Locarno Agreements. Then again it may mean that the various national armies will put certain specified forces, or certain of their ready resources, at the disposal of the League of Nations. Or finally, on the assumption that an organized international force is to be constituted, certain branches of service might be reserved for the League of Nations; the League alone would possess them, the national armies would give them up. Thus placed in exclusive possession of certain weapons, the League would not require any very extensive armament.

What elements are common to all the above solutions? There are two essential ones: the certainty, first, that there would be disparity in power between any aggressor and the coalition represented by the League of Nations; and, second, that the protection guaranteed would be effective and that it would get there in time. If all the members of the League of Nations were

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separated from each other by the huge distances of land and sea that protect the United States, this latter consideration would not have the importance which it has for the European members. The countries of Europe must have the assurance not merely that in the end, with the help of the League of Nations, they will win; but also that they will not be rapidly invaded and slowly rescued, the while their lands are subject to devastations which friends and enemies alike will allow them to repair at their own expense!

Which of the forms of common action mentioned above best meet these two conditions? Those, evidently, which are international: because in that case they would always be ready and always would prevail, like the police force in a modern city. France suggested at the Geneva Conference that a trial be made with the type of weapon best adapted to such an experiment — the heavy bombing plane. While that experiment was being conducted an effort might also be made to arrange that certain elements of national armies should be available for use by the League of Nations. Local agreements for mutual assistance might also be concluded.

It was a very flexible proposal, allowing all sorts of experiments, and it had the advantage that it sharply defined both the novelty of common action and the elements indispensable to it. The aim is not, out of love of armaments, to make international force preponderant over national forces, but gradually to reduce the latter by a thoughtful nursing of the former. The aim is to accustom the nations to depend on each other and not just on themselves. The international force would serve to give body to the concept of joint action and to the reign of law. For the problem is not, as is often said, to organize war for purposes of war, but to give point, by the threat of certain defeat for any aggressor, to the obligation of settling all conflicts peacefully.

This French proposal for the organization of common action against aggressors is not a veiled manœuvre of French nationalism in the interests of French hegemony in Europe. By subscribing, as far back as 1924, to the optional clause establishing the obligatory jurisdiction of the statutes of the Permanent Court of International Justice, France made clear that she was ready to submit to the judgment of the Court any quarrel arising between herself and any country which had pledged itself to the same conduct. Furthermore, in 1931 France subscribed to the general

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act of arbitration. In all differences of a political character whatsoever — and even if, to revert to the language of the old pre-war treaties of arbitration, "vital interests" and "national honor" be involved — France agrees, with the single reservation that the other party must also agree, to abide by decisions rendered in arbitration proceedings conducted under the terms of the act.[1]

France asks that such sentences be enforced under all circumstances and that whoever violates the law in question be constrained to conform to it: she asks that an international policeman be provided for the international judge. Individuals have accepted the laws of society, its judges and its police, not only that they may be relieved of constant concern for their personal safety but also because they have come to understand the positive advantages of the organized community as a general premise to civilization. It is logical that the same thing should come to pass in international society, and that the European nations which geography forces to live side by side, and which history has often arrayed one against the other, should try to effect among themselves some such collective organization of security as the states of the American Union managed to achieve after their war of independence.

Critics imply that plans for the sort of international organization described above mask secret designs to perpetuate the present status in Europe. That is not so. Any undertaking to revise the treaties by force would be discouraged. It should be. The world did not wait for the settlement of all differences among individuals before establishing a solid organization for settling those differences. The constitution of a strong American society has not prevented any American from "having his chance."

It goes without saying that French security is not the only security involved. France stands as ready to give as to receive. The Pact of Locarno was not a guarantee given to France alone, but a guarantee given to the Power attacked, be it France or Germany. France believes that the plan she laid before the Geneva Conference is the one best calculated to assure equal security to everyone, and so to eliminate the thorny problems of prestige involved in any formula of "equal rights" or "parity."

To be sure, an organization of peace through a strengthening of all the agencies of peaceful settlement and all the forms of mutual assistance, which, jointly with reductions in armament,

[1] Unless the Council of the League of Nations has jurisdiction.

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represent the only possibility of creating security in Europe, requires a great effort in statesmanship and in particular a re-enforcement of the League. It is not so much a question of drawing up new texts as of first giving effective value to those already existing. As things are now, with each passing year each sovereign Power makes some effort or other to recover as much of its independence of action as it feels it surrendered in signing the Covenant. Can such things go on? Let us assume that the plan of President Hoover has been put into operation (with France doing her utmost to adapt it to actual facts in Europe). Will it not then be necessary to consider guarantees of execution? Otherwise the prohibition of warfare by gas, disease germs and air bombardments will go the way of the pious pledges given at The Hague in days before the war. And will it not be necessary to provide for inspection and control? The more armaments are reduced through qualitative reductions in implements of warfare, the more important it becomes for the permament Commission on Disarmament to have supervision *in loco*, as an adjunct to supervision of units. Through collective guarantees of observance and international inspections we thus find ourselves back again at the political aspects of security! The United States must understand that Europe is absolutely obliged to face those problems, and that Europe cannot make up her mind how to do so without knowing what the attitude of the United States toward them is to be.

The American thesis is that public opinion will be mobilized to pass moral judgment on any violation of the Treaty of Paris, and that eventually that judgment will be confirmed by official refusal to recognize the results of aggression. This thesis may seem to run counter to the Covenant of the League of Nations, which admits the use of force as a means of upholding the provisions of the Covenant, and counter also to the French proposal of February 5 which is a further extension of the spirit of the Covenant. The French thesis may, in its turn, be deemed anti-democratic in that it involves such things as a "superstate," "inspection" and the like; or as militaristic, since it involves the use of an international police force. Further, it would strengthen the provisions of an agreement which the United States has not signed, and the American Government might therefore conclude that the French thesis did not concern it.

But the United States has signed the Briand-Kellogg Pact.

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The idea of outlawing of war is accordingly held by all the states participating in the Geneva Conference, even those which are not members of the League of Nations. What will happen if a state flouts that idea? At the very least, it will be necessary for public opinion to be mobilized in all the countries which have adopted the idea. Now the most important instrument for the mobilization of public opinion at present available in the world is the Council or the Assembly of the League of Nations. The states which have seats in the Council are free, in virtue of the rule of unanimity, not to endorse a decision of the Council. Non-members have, *a fortiori*, the same freedom. But it none the less is in the interest of all that there should be in existence some organ obligated to assemble instantly, an organ provided with definite rules of procedure which will enable it to clarify a situation and establish the bases of the judgment to be passed. It is to the interest of everybody, therefore, whether members or non-members of the League, that the Council render a decision and, moreover, do so as promptly as possible.

In the course of a recent crisis American public opinion first showed impatience with the Council for not coming to a decision quickly enough; and later on it registered satisfaction with the judgment rendered by the Assembly. Now, as a practical matter, just what is it that delays the Council in giving a verdict? The unanimity rule. But that rule is necessary in the present situation in the world; for it takes account of the fact that each sovereign Power is free to make its own decisions and that we are still far short of the time when a higher authority will hand down decisions arbitrarily. Further, how can we suppose that a Power that finds itself on the minority side is going to be willing — especially if it be one of the stronger Powers — to expose itself to the risk of having to participate in some joint action, while some insignificant state on the majority side incurs no risk at all in virtue of being located far from the scene of conflict and having only unimportant relations with either of the adversaries?

The main difficulty about the Council's coming to prompt and sure decisions is the fact that it is composed of sovereign entities and that, lacking predetermined rules of procedure, they have to determine the fact and the law of each separate case. The result is that action by one of them tending to implicate another takes on the appearance of a hostile act. That would not be the case if a given nation had only to appeal to a rule precise enough and

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cogent enough to make it evident that the nation invoking it was doing only its plain duty, and that the burden of proving that the rule did not apply lay upon the transgressor. Then the Council would be freed of the embarrassment of determining the law and would have only to concern itself with the fact.

Another difficulty is the obligation to act. If the Council renders judgment against a given nation, it follows, according to the Covenant, that the Council must also act to prevent violence or repress it. Now at the present time the League must depend for the ability to act upon means supplied by individual member nations, and the specific action has to be improvised on the spur of the moment: for every effort made in the course of the past dozen years to define the method of applying Article XVI has come to naught. As regards organized, ready and efficient forces, then, the League can rely only upon the Great Powers, for the mobilization of effectives from the little countries requires too much time. The not unnatural result is that decision on the part of the Powers of greatest prestige often is paralyzed; for, there being no advance organization, it is they that assume the greater part of the responsibilities involved in common action and it is they that run the risks.

Just as the Council's task of making decisions would be facilitated by rules established in advance, so also it would be facilitated by the possession of instruments of action made available in advance, with all countries contributing according to their respective capacities. That would mean an equitable division of risk. This thought was in the mind of France when she proposed that the nucleus of an organized international force (bombing planes) be put in the hands of the League, and that the nations place certain national contingents at the disposal of the League with a view to the prevention and repression of aggression. Plainly this proposal by France is of concern even to countries which are not members of the League but which have signed the Kellogg Pact and therefore count on the rapid mobilization of the world's moral judgment.

So there is not, as has been claimed, any fundamental antagonism between the French and the American points of view. France is entirely in accord with the essential concepts expressed in the American note of January 8, 1932, and in the letter of Secretary Stimson to Senator Borah of February 23: to wit, respect of treaties; subordination of technical naval agreements

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to the diplomatic agreement concerning security in the Pacific (the 1921 agreements forming one whole); and non-recognition of any situation or treaty which might result from the use of means counter to the pledges given in the Pact of Paris.

Probably if France were as well protected geographically as the United States, she too would cling to her whole sovereignty and wait quietly for the mobilization of public opinion. But she lives in danger of being called upon to concentrate all her military, naval and aërial forces at a few hours' notice and in this way to provide the necessary leisure for world opinion to crystallize before the irreparable step is taken and war becomes a fact on her territories. She must therefore go farther than the United States along the road of organization for peace. To be sure, she reserves her freedom of decision; but she is ready to submit it to rules made and accepted in advance.

Defenders of the American thesis may reply that if the irreparable step of aggression occurs, it will not be recognized, and that if the whole complex of legal relations between an aggressor and the rest of the world is tainted by a universal act of outlawry, then the aggressor cannot count on any form of assistance. The answer is that in the meanwhile the whole status of the victim may be changed, and that with the passage of time the nations of the world may grow accustomed to the act of violence and end by recognizing it one by one. Even if a country refuses officially to recognize results obtained by an act of violence, it will allow its nationals to trade with the outlawed country and to lend it money. Has not this happened in the case of Soviet Russia?

It is important, therefore, to perceive that in this whole discussion the premises are identical, but also to recognize the fact that the European countries must go further than the United States in the direction of organizing peace. The main preoccupation should be to keep together as long as possible; then, if countries which are in a more precarious situation choose to go farther, the others should remain in touch with them in order that they may at all times be in a position — since all have joined in outlawing war — to draw as effective conclusions as possible from that proscription.

A fundamental part of this scheme for the organization of peace is the idea of gradation, of proceeding by stages. An important step in reducing armaments would correspond with

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every advance toward security though organizing common action — the various countries being in agreement as to the direction in which they want to go, though preferring to proceed at different speeds. It is conceivable, for instance, that certain states which have signed the Briand-Kellogg Pact but which are not signatories of the Covenant may not choose to go so far in the direction of arbitration as certain signers of both undertakings. Here special conditions and geographical situation come into play. Thus there are countries which have endorsed the Statute of the Permanent Court of International Justice, and countries which have signed Clause 36 and the general act of arbitration; there also are countries, like the United States, which have splendid traditions in arbitration, but which are mistrustful of definite obligations, and countries which are hostile to arbitration but partial to conciliation. Common to the whole group, however, is the desire for pacific adjustment. The wise procedure would be to note all these various attitudes toward arbitration and see what bearing their geographical distribution has upon security, and how among so many attitudes and systems — for the moment irreconcilable — a *modus vivendi* may be found.

As an example we might again take the concept of inspection and control, which is too often represented as a form of meddling in other people's business or as a means of exerting pressure. At the outset there can be no question of doing anything more than exchange guarantees of good faith to observe the agreements which are entered into. It will be necessary to make whatever inspection is agreed upon conform to the scope and nature of the undertakings in question. It must not be assumed that the more definite an agreement the greater the security which it provides, regardless of whether or not any sort of inspection is included. In the interests of everyone an international moral sense must be developed, if not created. France is ready to go very far in the direction of inspection, and inspection is required by President Hoover's plan. In that matter, as in the matter of arbitration, regional arrangements may be in order.

We should be on our guard against such expressions as "superstate," "automatic decisions," and the like. At the present time nothing more than a limitation of sovereignty is involved; and all international engagements made by any country, including the countries most jealous of their independence, have been limitations of sovereignty. The cutting down of armaments will be an-

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other limitation, indeed a very considerable one. The question is merely whether or not to take one step further in advance; there is no question of an abrupt transition to a "super-state."

As to there being anything "automatic" about decisions, the idea is not that they should be made mechanical but more certain. People often talk as though all the freedom of judgment to which democratic nations are accustomed were to be done away with. The provision under discussion, however, means simply that an obligation is recognized to exist. Any nation is free to shirk that obligation, but if it does the other nations are required to ask why, and it must explain why. This concept is by no means new. It was already present in the "*ipso facto*" used in Article XVI of the Covenant; and it figures in the Locarno agreements. If the case is a flagrant one, the nations decide and act, in good faith and effectively. A corrective to too great haste is the Council action provided for in the Locarno agreements. The "automatic" concept presupposes a definition of aggression and a definition of the manner of identifying an aggression. One might begin with the obvious cases — refusals to arbitrate or to abide by arbitral decisions, and invasions of the territory of a country, or of a permanently demilitarized zone, or of a zone temporarily neutralized as a precaution. More doubtful cases had better be dealt with less "automatically;" probably the best way would be to leave them to the wisdom of the Council. The American idea of not recognizing international situations resulting from the use of force both assumes and supplies a definition of aggression.

III

The French security proposals are designed to deprive the League of Nations of any excuse for not making decisions and for not acting; and, as a result, to deprive the nations of the excuse that lack of coöperation makes it impossible for them to reduce armaments. The proposals are general enough in their terms to be applied, with proper variations, to all nations represented at the Conference, and flexible enough to be adjusted to circumstances of place and time. Their aim is to provide equal security for all by making the League of Nations stronger than any aggressor.

This disparity of strength between the League and an aggressor can be obtained by several methods. At our present stage it would not be a bad idea if all of them were given a trial, so that

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we might see which best meets the requirements (in regional terms) for effective, immediate and prearranged coöperation. But the different forms of joint action all assume that countries not members of the League — the United States, for example — even though not participating in the action in question, will not block it by granting the status and rights of a belligerent to a state branded by the Council as an aggressor, particularly as there is every chance that the aggressor has also violated the Briand-Kellogg Pact.

Thus we have to take into account — in addition to the obligation to consult and the duty of trying to clarify common ideas in order to insure a unanimous decision and joint action — a third form of collaboration, that between states members of the League and states not members: in other words, the problem of neutrality.

What France is anxious for the United States to understand is that there is no contradiction in spirit or intention between the philosophies of peace entertained by the two countries. France is as deeply interested in the liberty and sovereignty of other peoples as the United States is in its own freedom and sovereignty. France understands that the United States does not see any necessity of binding itself in advance. She would like the United States to understand that the nations of Europe are constrained to do precisely that thing if they are to organize the security which nature and history have not vouchsafed them. Once these requirements are comprehended on both sides the ground will be cleared for collaboration.

One idea is common to both countries: to organize peace so that it will not be just a precarious interregnum between two wars. The means adopted may be different, provided there is a framework of understanding so that the two countries will agree together in time, both as to aims and action. Mutual assistance is necessary not only in the matter of security, but also in the matter of credit. How can a country disarm without guarantees of security at a time when, in the realms of economics and finance, preparations for war go merrily on, each country depending on itself alone, thinking of itself alone, destroying mutual trust and confidence? If security and credit are ever to be restored, it is the duty of those countries which still believe in the sanctity of the given word, which still believe in freedom of thought, which still believe in peace, to come together without delay.

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GERMANY AND FRANCE: THE PROBLEM OF RECONCILIATION

By Richard von Kühlmann

IT IS an almost universally accepted axiom that the relations of Germany and France are the corner-stone of European policy. The problems that unsettle these relations are vital today. Yet to understand them completely we must go far back into the past. Ever since the division of Charlemagne's huge empire, covering practically the whole of Central Europe, there has been an acute rivalry for the predominant position on the continent. France, under the leadership of able kings, achieved her unity early and retained it. In Germany, on the contrary, the central power of the Holy Roman Empire became gradually weaker and weaker, while the tendency toward consolidation of individual provinces and countries into separate units proceeded with steadily increasing vigor. This process continued until, after the Thirty Years' War and the religious split between Roman Catholics and Protestants, the influence of the German Emperor had become almost nominal.

The wars for supremacy in Europe waged between the House of Bourbon and the House of Hapsburg fill a long period. After the fall of the Bourbon dynasty, the men of the French Revolution and afterwards Napoleon continued the struggle on the French side. The battle of Trafalgar ended the fight by firmly establishing British sea supremacy for a whole century. The battle of Waterloo smashed Napoleon, and with him France. The Congress of Vienna proceeded to put its seal on a settlement which suppressed for a long time the French ambition for mastery. During the struggle against Napoleonic imperialism Germany fought under the dual leadership of Austria and Prussia. Since the days of the Great Elector, Prussia, by the genius of its rulers — particularly Frederick the Second, called the Great — had been carving out for herself a position in the German Reich which eventually led to a protracted struggle for predominance. That struggle was settled in a short war in 1866. Bismarck and Moltke's genius decided the predominance of Prussia, and thereafter the old rivalry between France and the Hapsburgs was replaced by a more acute struggle for supremacy between France and Germany under the Hohenzollerns.

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Obviously, a consolidated German block, with its center in Berlin and strong positions on the Rhine, was infinitely more dangerous from a French point of view than had been the rather loosely-knit structure of Austria-Hungary, with its capital city of Vienna far off in the east, always more inclined to look toward Italy and the Balkans than toward the western front. Napoleon III, whose foreign policy has often been denounced as foolish and adventurous, did nothing but carry out the traditional policy of France when he brought about a decisive struggle with the allied German countries. Nobody responsible for French destinies, from the Cardinal Richelieu on, would have allowed the establishment of a strong united German power on the eastern border of France without making some attempt to squash it. Fate decided against Napoleon III; within four weeks from the beginning of the war, he, his marshals, and his army had to surrender at Sedan. What followed, the heroic resistance under Gambetta, was more a fight to defend the honor of the colors than a war with any prospect of victory. The whole French generation which entered into life about the time of the Treaty of Frankfurt had only one idea: revenge, to get back the two provinces of Alsace-Lorraine, to destroy Germany's power so completely that she could never again menace the holy soil of France. One of the most brilliant Frenchmen of that generation, Maréchal Lyautey, whose life André Maurois has written most attractively, told me himself that his education and natural tendencies would have made him a diplomat, but that after the defeat of 1871 he and several friends decided that the only possible career for a Frenchman was the army. They entered the ranks, to see all their desires fulfilled, Germany crushed, and then torn by revolution.

There will be few people today to dispute the fact that the Versailles Treaty, the work of a generation of old men whose only aim through a long life had been the idea of revenge, was not a wise instrument. Lloyd George saw it clearly, but could not stop the tide of events. He certainly was not without flashes of insight and foresight; but he was heavily handicapped by the violent oratory of which he had delivered himself under the spell of the moment and in sympathy with the mood of his audiences. American moderating influences could not prevail. So wise and experienced a statesman as Lord Carnock (Sir Arthur Nicolson) turned away in disgust from what he considered a foolish and unstable settlement of fundamental questions.

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Curiously, the feeling in Germany against France was anything but bitter right through the war. Franco-German tension, though it had never ceased to exist since the signature of the Treaty of Frankfurt in 1871, had nevertheless lost a good deal of its bitterness in the forty-three years of peace. Amongst the younger Frenchmen I had some personal friends, and in pre-war days we often discussed the general situation. Their point of view was that if Alsace-Lorraine should find a satisfactory home in German surroundings, if appeals from that quarter no longer reached French ears, they and their generation would be prepared to abide by the decision of 1871. The Franco-German rivalry had been superseded to a certain extent by an Anglo-German rivalry, particularly in naval matters. But in the end it was neither the Anglo-German rivalry (which had been settled by a series of agreements) nor Franco-German antagonism which brought about the catastrophe, but the revival of old Balkan feuds between Tsardom and the crumbling monarchy of the Hapsburgs. It is only the Versailles Treaty and the subsequent great faults committed by France which have engendered the present acute feeling of resentment and hatred in Germany. Of all French mistakes, the most serious was the occupation of the Ruhr. It led to great bitterness and helped to bring about the complete collapse of the German monetary system. During the following years of occupation, the use of colored troops in the Rhenish provinces also did its part in arousing German public feeling.

It was obvious to any far-seeing statesman that Europe could not go on in such a state of acute tension, that both Germany and France must suffer terribly, and that probably the whole of Europe would go under if matters could not be improved. It is the undying merit of Aristide Briand to have been the first, when the war atmosphere in France began cooling down, to advocate openly a complete readjustment of Franco-German relations. He had the fortune to find in Gustav Stresemann, on the German side, a partner who shared the same opinion and who had the moral courage to face unpopularity at home in the attempt to bring about a lasting improvement in the relations of the two countries.[1] The great step forward which they arranged together was the evacuation of the occupied Rhenish provinces before the treaty date. To free national territories is the first and obvious

[1] I should mention in this connection, too, the name of the British Ambassador in Berlin, Viscount D'Abernon, who played a helpful part in the efforts for the pacification of Europe.

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duty after any great war. By calling back their garrisons before the time appointed by the treaty, the French wisely removed the first and foremost obstacle to a better understanding between their country and Germany.

The nineteenth century had been comparatively peaceful. There had been only one great and protracted war — the American Civil War — since the Congress of Vienna ended a period of a struggle which had lasted for generations. A result of this long era of peace had been that mankind had made rapid progress in the field of invention and in material well-being. The Great War, covering a wider arena than any previous war, and being of unprecedented destructiveness, owing to the world's increased industrial efficiency, was followed by a terrible depression. Germany, impoverished and exhausted by the strain of being the center of a vast coalition during a gigantic struggle and of having had to supply her weaker partners with food, clothing, armaments and gold, suffered from the depression much more acutely than did other states which were able to fall back for a time on accumulated reserves.

At this point the old conservative forces which had been crushed in Germany and which had almost disappeared from the public arena after the Revolution saw an opportunity to reconquer the position which they seemed to have lost forever. Their first move, a shrewd one, was to induce the popular Field Marshal, Paul von Hindenburg, to accept the presidency of the Republic. In a long campaign, ably conducted, they worked incessantly to stir up German public opinion. The humiliations imposed on Germany in the Versailles Treaty and the prevailing misery (which they ascribed exclusively to the payment of reparations) were the two main matters on which they harped. The astounding wave of nationalism which in the form of Hitlerism we see sweeping over Germany today is to no small extent the result of Hugenberg's long campaign to incite the nationalist spirit in Germany. The main claims of the nationalists, which even a man of the experience of Schacht, the former Reichsbank President, hotly advocated in public — like abolition of reparation payments, abolition of Article 231 of the Versailles Treaty (which, according to the German view puts responsibility for the outbreak of the World War exclusively on German shoulders), equality in armaments — these, their claims in connection with three most urgent questions, helped to rouse a reaction against the rule of democracy

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as represented by the Social Democrats and, to a certain extent, by the Center.

Along with the rise of the nationalistic tide in Germany, a very stiff and not always fortunate policy in France rapidly dispersed the reserves of sympathy which she had accumulated abroad, and produced in turn the specter of French isolation. France had exhausted English patience by being stiff and unbending in all current questions. She had been far from fortunate in her dealings with the United States. Her relations with Italy were frankly strained, and in his speeches Signor Mussolini was using the word "war" with alarming freedom.

French political opinion was not slow to see the danger of this writing on the wall. In the General Election held in the spring of 1932 the French people gave a clear and decisive expression of their will that all adventures must be avoided, that what they think their country needs above everything else is a steady and peaceful foreign policy which will allow them to till their fields without fear of foreign complications. So far the new Prime Minister, M. Herriot, has faithfully carried out the mandate given him by the clear vote of the French nation. The first result of the new majority in the Palais Bourbon was the Lausanne settlement. The policy of the clean slate advocated by many, particularly by England and Italy (but perhaps not strongly encouraged by the United States) could not be carried out completely. Still, the result was the abolition of reparation payments. The real meaning of Lausanne could not be summed up more to the point than was done by Sir Walter Layton in a recent speech at Oxford in which he said: "Never believe for a moment that the Lausanne agreement is a provisorium. Reparations have come to an end and nothing can revive them. We have conceded to Germany the payment of a final sum; nothing could alter these arrangements, except the question whether we should not attempt to reduce this amount."

The news of Lausanne arrived in Germany just when the fever heat of the most bitterly contested general election of recent times had reached its climax. As a result, the full significance of what had been done was seen by a few only. I am sorry to say that the press, strongly influenced by party combinations, has not done its part in explaining the importance of Lausanne to the German people. And a great difficulty in the way of a clear perception has been the condition attached to the Lausanne instrument to the effect that ratification is subject to the satisfactory

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arrangement of war debts with the United States. Further difficulties were added by the publication of special agreements, like the Gentlemen's Agreement and the Confidence Pact, and by the fact that the two political points which Germany raised in Lausanne at the same time — abolition of Article 231 of the Versailles Treaty and a claim for equality in armaments — could not be achieved.

Competent observers who saw the doings at Lausanne at close quarters assure me that had Germany confined her political desires to the abolition of Article 231 she would have had a very fair chance to carry her point. England in particular was quite willing to meet Germany's wishes. But the addition of a demand for equality in armaments, perhaps presented not too skilfully, proved the straw that broke the camel's back and thus destroyed Germany's chances for a full political success.

Article 231 of the Versailles Treaty was in the main designed to cover German reparation payments. With the abolition of these payments it no longer has any real meaning. History has disagreed with the charge that Germany is the only Power responsible for the outbreak of the war; the deeper we are able to dig into what really happened the more evident it becomes that when Lloyd George said that "Europe stumbled into the war," he came the nearest to giving a description of what actually took place. Even from the French point of view, it is not easy to see what use it would be to keep this paragraph alive when reparation payments have disappeared. The wording of Article 231 has given rise to a widespread conception that the whole of the Versailles Treaty rested on the theory of exclusive German war guilt. Now since historical opinion all over the world condemns this thesis, it seems to follow that to keep the article alive weakens the whole structure of the Versailles Treaty and does harm to French interests. Distinguished Frenchmen have gone to much trouble to show that Article 231 never meant to establish Germany's exclusive war guilt as a historical fact. They attempt to make out that the wording about Germany having caused the war refers only to the fact that her declarations of war against Russia and France constituted the decisive steps which opened the great drama. On the other hand, numerous and weighty, if not official, French voices have done their best to interpret the article in the sense of Germany being solely responsible for the war. All in all, one might imagine that France, after carefully

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examining all sides of the question, would see the advantage of taking the poison out of this much-discussed article by an official declaration that it never meant to imply Germany's exclusive war guilt. This would satisfy German opinion.

A certain feeling of disappointment abroad at seeing the important concession made to Germany at Lausanne seemingly coincide with an increase in the German nationalistic movement would be natural, although not quite fair. Rivers carry along their devastating floods for some time after the heavy rains in their upper reaches have ceased. So German nationalism, nurtured on mistakes made in the past by other states, particularly France, cannot disappear as if by magic in response to the wiser and more moderate policy which has recently been adopted. If, as certain symptoms point, France and Germany are able to come to a workable agreement in the armament question, a further great obstacle would be removed from the path of better understanding between the two nations.

A solution may be found in the direction of recognizing Germany's theoretical right to equality in armaments, along with a Gentlemen's Agreement that the actual evening-up of armed forces should be delayed. This evening-up could be achieved in two ways — either by gradually increasing German armaments or by speeding up the decrease in the armaments of the other nations. Anyhow, recent pronouncements in the French press show that discussion of the armament question no longer produces the nervous tension which for a long time rendered such discussions unfruitful and sometimes even dangerous.

Bismarck's great wisdom and foresight opened up to France, after her defeat in Europe, the doors of a wide colonial expansion. By far the greater part of the French colonial empire was built up after 1870. Germany, along with Italy, being the last of the important European nations to achieve unity, found the distribution of oversea empires far advanced. Bismarck could secure only odds and ends, but these proved a useful training-school for German colonial activity. To deprive 65 million active and (in the younger generation) restless persons of any colonial outlet for their energies was one of the unwise measures of the Versailles Treaty. England had been much more farseeing before the war. Leading English statesmen had understood that to give Germany more room in the world meant to diminish considerably the pressure in the over-heated steam kettle. Only the outbreak of

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the World War prevented the ratification of the Anglo-German colonial agreement which would have given the Fatherland all that even a great colonial ambition could desire. Private conversations which took place in Paris while the Young Plan was under negotiation showed conclusively that responsible English statesmen were by no means hostile to Germany's rebuilding a reasonable part of her colonies, nor are signs lacking today that similar ideas are favorably considered in leading French Government circles. Few accusations have hurt German feelings more sorely than the one that they mismanaged their colonial empire. They believe this charge to be unfounded and unfair. In justification they point to the prolonged and energetic way in which, both in Cameroon and in East Africa, the native element, under German leadership, resisted forces infinitely superior in number and equipment. Had there been any truth in Allied accusations of cruelty and mismanagement the natives surely would not have supported their German officers in a hard and protracted struggle against overwhelming odds. This much is certain: once the war guilt and armament questions are out of the way, nothing could be more helpful in bettering feeling between Germany and France than a reasonable agreement about coöperation in the colonial field.

A further source of difficulty remains: the Eastern Question. Great mistakes were made when the frontiers of the new Polish state were drawn. The Corridor and glaring defects in the Silesian settlement are today points of serious friction. But for Germany and France this friction is indirect, concerning as it does the relations between Germany and Poland. I would rather not go deeper into this complicated matter. It will be readjusted some day when the world decides that it cannot be allowed to stand in the way of thorough settlement and pacification.

In the economic sphere the contact between industrialists and bankers on both sides of the frontier has been making steady progress. Understandings have been reached about potash, about electricity, about the whole series of questions connected with the chemical industry, about the exchange of coal and iron. As soon as Germans and Frenchmen meet on a business basis there always is good understanding, frequently with useful results.

In another field further far-reaching Franco-German agreements are likely in the future. France is a country rich in capital; she has, and produces through national savings, more capital

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than her domestic needs can absorb. So far, the French banking world seems inclined to continue its pre-war policy (though it produced unhappy results) of giving loans to smaller states, many of these loans being more in the nature of political subventions than of sound investments. Mistrust has so far prevented French capital from even studying the openings offered in Germany. But in the long run the French banking world cannot ignore the fact that since the Lausanne settlement German state finance is in a position to offer guarantees which can hardly be offered anywhere else. The time for this may still be distant; but one can state with confidence that it is bound to come.

In pre-war days the intellectual and artistic contact between Germany and France was in many ways more intimate than between any two other countries of Europe. German museums bought French pictures, German music was constantly conquering new fields in France, and of the pilgrims coming to Bayreuth the French made up a considerable part. The war, of course, stopped all this for the time being, though some great and independent spirits like Romain Rolland, even in times of the most bitter controversy, would never allow the great debt of gratitude owed by France to the German spirit to be belittled. Happily, in the field of intellect and culture the war spirit is now disappearing rapidly. German music finds an understanding and enthusiastic public in Paris, German opera has its place in the French repertories, and moving-picture films made in Germany meet with considerable success in French public opinion. German books, both scientific and fiction, are translated into French in great numbers.

To sum up, a careful analysis of Franco-German relations since 1918 shows that never in that period of time has France had a greater and more sincere desire for complete agreement with Germany than just now. If this feeling is patient and wise enough not to be chilled or discouraged by the wave of nationalism now evident on the other side of the Rhine — the result of former faults — it is fairly safe to predict that, given reasonably good luck and diplomatic skill, the future is by no means unfavorable. Along with a gradual rapprochement in industry, trade and finance might well go a progressive improvement also in the sentimental relations of the two peoples. A Franco-German *détente* would give fresh hope to all those who strive for peace and prosperity in Europe and, indeed, in the world.

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BALANCE-SHEET OF THE WAR DEBTS

By Leo Pasvolsky

THE accompanying table represents an attempt to draw up a balance-sheet of all intergovernmental obligations resulting from the World War, as they stood on July 1, 1931, the date when the Hoover moratorium went into effect. It is also the way they stand today, unless the Lausanne agreement is ratified. The table indicates the aggregate amounts of interest and amortization payments which each country is obligated to make to all other countries or is entitled to receive from all other countries, in accordance with the schedules of payments still nominally in force, relating to war, relief, reconstruction, and various miscellaneous accounts, as well as reparation obligations.

Only intergovernmental debts are dealt with in this table, and, so far as the author can determine, all such obligations are included. The sole exception consists of the debts owed to Great Britain by the British Dominions; but Australia and Canada are brought into the picture to the extent to which their governments have extra-Imperial debts. On the other hand, no account is taken of obligations of governments to banks, individual investors, or other private parties in foreign countries, or of obligations which are intergovernmental merely in form. Accordingly, payments by Germany on the Dawes loan of 1924 and the "mobilization" loan of 1930 are omitted, as well as the instalments due the United States from that country in liquidation of the mixed claims awards. Similarly, such payments as those which Greece is obligated to make to Bulgaria under the refugee agreements and those representing the contributions of various countries to the Hungarian Agrarian Funds are also excluded. Nor are the domestic public debts resulting from the war taken into account. The table thus deals only with debts owed by governments to governments.

Of the 28 countries involved, five are debtors only; ten are creditors only; while thirteen are both creditors and debtors. Ten are net debtors, and eighteen are net creditors. The table necessarily obscures the complex nature of the debt relations among these countries. Most of them have a number of creditors and debtors. For example, the United States is scheduled to receive payments from sixteen countries; Great Britain, from seventeen; and France, from ten. Similarly, Germany has eleven creditors, and even such smaller nations as Hungary, Bulgaria, Rumania and Czechoslovakia have as many as nine or ten creditors each. Moreover, in some cases a country has to make payments to another country on several distinct accounts.

In order to secure a basis of comparison, all payments have been converted into dollars at the par of exchange. This method of conversion is open to criticism in view of the fact that some of the currencies involved, notably the British and the Scandinavian, are now at a discount with respect to their nominal gold values. But since the payments cover a long future period, it is believed that conversion at par gives a more useful set of data than conversion at the rates of exchange prevailing at the moment the table was prepared.

It will be seen that an amount of wealth equivalent to the vast sum of nearly 53 billion dollars would eventually have to move across national frontiers if

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the obligations stated in the table were to be liquidated in full. It will also be seen that payments by Germany and receipts by the United States constitute overwhelmingly important elements in the situation. Were these two items subtracted the whole balance-sheet would shrink to small proportions.

The Lausanne agreement (if ratified), by practically wiping out all reparation payments, will reduce the aggregate payments, and consequently the aggregate receipts, to approximately one-half of the amounts indicated in the table. If the remaining obligations undergo no modification, then receipts by the United States will become about four-fifths of the new aggregate; while in the final column of the table the position of eight countries — Belgium, France, Great Britain, Greece, Italy, Portugal, Rumania and Jugoslavia — will change from a substantial plus to a much more substantial minus.

Balance-sheet of Intergovernmental War Debts [1]

Aggregate Amounts of Principal and Interest Scheduled to Be Received or Paid under Debt Agreements in Force on July 1, 1931

(*In millions of dollars*)

Country	*Total Receipts*	*Total Payments*	*Net Receipts (+) Net Payments (−)*
Australia	0.8	....	+0.8
Austria	....	116.1	−116.1
Belgium	1,454.2	849.0	+605.2
Bulgaria	0.6	78.6	−78.0
Canada	13.2	....	+13.2
Czechoslovakia	1.1	424.8	−423.7
Denmark	0.5	....	+0.5
Esthonia	....	45.5	−45.5
Finland	....	19.1	−19.1
France	13,855.8	10,497.1	+3,358.7
Germany	0.2	25,609.6	−25,609.4
Great Britain	10,685.8	9,754.2	+931.6
Greece	216.1	164.5	+51.6
Hungary	4.2	35.0	−30.8
Italy	4,056.6	3,571.7	+484.9
Japan	109.5	....	+109.5
Jugoslavia	874.1	338.6	+535.5
Latvia	....	24.7	−24.7
Lithuania	....	14.7	−14.7
Luxemburg	4.0	....	+4.0
Netherlands	18.3	....	+18.3
Norway	6.2	....	+6.2
Poland	4.4	666.1	−661.7
Portugal	159.5	109.6	+49.9
Rumania	447.2	422.6	+24.6
Sweden	1.9	....	+1.9
Switzerland	4.6	....	+4.6
United States	20,822.7	....	+20,822.7
Total	52,741.5	52,741.5	....

[1] For original schedules of payments and other data on which this table is based see the new study of the Brookings Institution, Washington, D. C., entitled "War Debts and World Prosperity," by H. G. Moulton and the present author.

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THE EAST: A SURVEY OF THE POST-WAR YEARS

By Sir Frederick Whyte

IT is one of the commonplaces of the modern world to say that the Unchanging East is on the move. The causes of this movement are well-known and the evidence of it is to be seen in widespread alterations in the physical machinery of life, and even more significantly in a partial revolution in the attitude of Asiatic mankind to their own political and religious traditions. The awakening of nationalism is the most conspicuous, and politically the most troublesome, of all the manifestations of the new insurgent spirit in Asia; but, for the future destiny of the peoples involved, it cannot be regarded as the most significant. Nationalism in the East is the political reaction against Western power, and owes its inspiration to the European nationalist movements of the nineteenth century which flowed from the French Revolution. But since the doctrines of nationalism were only one part, and not the most pregnant, of the message brought from the West to the shores of Asia we must seek the meaning and direction of the whole contemporary Asiatic movement in something wider than a political interpretation. If the effect of the Western impact on the East had been confined to political change, and the social and religious structure of Asiatic society had remained immune, it would be possible, nay, even inevitable, to regard the change itself as superficial. Indeed, as it is, there are Western observers who believe that no fundamental change has taken place, and that it is therefore an error to pursue any policy, either in foreign relations or in trade, based on the assumption that the revolution in the East has achieved anything more than a passing, if violent, storm on the face of the waters, leaving the depths beneath undisturbed.

There is manifestly room for very different opinions, and none at all for dogmatism. Yet I have something approaching a conviction that the process of change is real and that those who deny the reality and depth of the transformation of Asia have ignored many vital factors in the situation. I shall not try to discuss them all here: for instance, the effect of the spirit of Western scientific inquiry upon the Asiatic mind, or the influence of Christianity in promoting Asiatic religious reform from within; but, even if

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in passing we can do no more than note those great influences, we must bear in mind the part they have played, and will play, in influencing the attitudes of Indians, Chinese and Japanese toward nearly all the major problems of life.

Of the many other evidences of change we shall take but two, one social, the other political. The first is the new place of the woman in modern Asia. When the women of a nation, even if only in the educated minority which composes the directing class, claim a position of equality, demand and receive an education comparable to that which is given to the young men, and refuse to subordinate their destiny as individuals to the tradition of family life as hitherto known in China and in India, a social revolution of the first magnitude is on the way. And this is in fact happening over an ever-increasing area of the social life of the East. It has proceeded farther in China and in India than in Japan; but it has already taken such a hold upon the lives of the younger generation that we can almost say that the widest breach in ancient custom in the East has been made by the emancipation of the daughters and young wives of the middle classes from the almost tyrannous discipline of the family system. The generations as they follow one another will not lightly relinquish this freedom, and thus a new social mentality is created, and along with it at least the possibility of political democracy. The older generation watches with dismay the loosening of the family bond and sees nothing but chaos in the freedom of the new generation: but no one who has seen at first hand its results among the young women of India and China can doubt that they are preparing a new contribution to their own national development which will be fruitful both in the social and in the political spheres.

Now it is true that the new motive of emancipation operates only in the educated community, and that the vast mass of the nation, in every case, is still hardly touched by it. But it does not follow that the change now in progress is therefore superficial. All such revolutionary processes begin in small groups of determined people with a purpose, and revolutions are always the work of passionate minorities whose political arena is provided by the non-revolutionary mass beneath them. The great body follows the small alert head, and begins to move long before it has any real conception of the cause or the goal of its movement; but it does move, and in Asia it has been moving with a greatly increased momentum ever since the war.

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Coming to the second part of the evidence taken from the political sphere, we may note that here also the significance of the future is to be read in the revolutionary attitude of a purposeful minority. It concerns the sanction from which the political régime of government derives its authority. In the past, personal rule resting on a divine sanction prevailed throughout the East. Today, not only is the whole world strewn with the corpses of monarchies overthrown by revolution, but the central belief in autocracy itself upon which they once rested has been undermined and the peoples of Asia have discovered a practical alternative in the idea of government based on popular consent. The divine right of kings cannot long survive among nations that have been educated, and when once the conception of democracy finds its way into the national mind autocracy is doomed. This commonplace of Western politics is still a novelty in the East and the tradition of the personal ruler still prevails in the mind of the masses. It might therefore seem that a restoration is practical politics, say in China, and that one of the greater War Lords might conceivably reëstablish the Dragon Throne. So he might. But his success would be due, not to any genuine revival of the old belief in the Mandate of Heaven exercised by the Emperor as the Son of Heaven, but to the immaturity of the rival idea of popular government, whose protagonists have not yet had time to establish it securely. The revolutionary minority might be driven into opposition and exile, but the influence which created it would abide and arise once more to expel the autocrat.

These two factors, the emancipation of women and the birth of the conception of popular consent in government, are in themselves sufficient to prove that the new Asia is a reality. They do not stand alone, for the spread of education daily strengthens them, and the new influences brought to bear upon the economic life of the East, in attacking the fortress of established custom from another angle, give the general movement an added impetus. The movement is still in progress — progress so rapid, indeed, that even a comparatively short absence from any of the countries of the East today tends to put the observer's knowledge out of date. It is therefore difficult to state the results of the past ten years — the period of this survey — in terms of assured achievements or established institutions. Tendencies and phases, apparent variations in the direction or the intensity of the different

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national movements, outstanding events in the whole tumultuous onrush: these are the principal factors in the estimate which, in itself, can be little more than a guess at the future result. At the same time, the three representative nations, India, China and Japan, stand at different stages in the new development, and generalizations which have an apparent truth when applied to the whole panorama of Asiatic politics must be seriously modified in respect of each of these units in turn.

II

In the past ten years the Indian situation has developed along lines foreseen in advance. The Act of 1919, which ushered in a new era of reformed government, prescribed that a review of progress should be made in 1929. This review, beginning with the Simon Report, has now reached the point where a new constitution is on the eve of enactment by the Imperial Parliament. The way in which the new reform has been prepared reveals the growth of political India; and it may be said that the Round Table Conference of 1930–31 was historic, both in actual achievement and in the evidence it gave of the rapid rise of India towards equality of status during the previous ten years. The Conference was a striking departure in India's constitutional development, for by it Great Britain sought to share with India the labor of a new reform, and thus made the political leaders of India active participators in what had hitherto been reserved to the practically exclusive authority of Parliament in London. It was therefore an act of far-reaching political significance for the British Government to proceed by this method of the Round Table Conference, for by it the transfer of sovereign authority from London to India was carried a long step farther. Of even deeper import for the future was the unanimous resolution of the whole body, Indian Princes included, to found the new Indian polity on a federal basis embracing all the political units in the peninsula. All India was thus pledged to the realization of a great ideal, and in accepting it the Princes in particular cast the die of a great decision. Hitherto they have stood apart from the main stream of political development in British India; henceforth their new association with the self-governing provinces will open the door to far-reaching reforms within their own States.

Up to this point, where the principles of future action were laid down, it is appropriate to call the Conference historic. The

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second session of the Conference revealed the inherent difficulties of the problem. On the one hand the Princes had their second thoughts, prompted by the feeling that they had too readily accepted a place in Federal India without clearly knowing what it might entail for them. On the other, the communal question once more cast its disturbing influence over the political arena; dissension within the Hindu community combined with the Hindu-Moslem feud to postpone the practical solution of immediate electoral and other questions and finally threw back upon the British Government the onus of making a decision.[1] It is not necessary, in these pages, to emphasize the significance of this failure of Indians to compose their differences at a moment when agreement amongst themselves would have shown them in possession of indigenous statesmanship capable of coping with their own greatest problem. Such a refusal to accept the whole implication of self-government is no very happy omen for the future. None the less the constitution about to be enacted will proceed on the assumption that only by placing responsibility squarely on Indian shoulders will the capacity to govern develop in modern India. The raw material of the new measure is to be found in the reports of the Simon Commission, of the Round Table Conference and of its subsequent Committees; it will be time enough to discuss its proposals when they are published next winter. Meanwhile there is a problem of inner substance which, in its bearing upon India's destiny, is more vital than any constitutional provision.

It is the habit of the press to present Indian affairs as a drama of conflict between the British Raj and Indian Nationalism. The conflict is no doubt a fact; but it cannot be described as serious warfare no matter how hotly the battle may seem to rage round the measures taken from time to time by the Government of India to deal with open threats to the peace of the country. England is committed beyond recall to the ideal of Indian self-government: the dispute is one of pace and method, not of final aim: and everyone knows that the parliamentary rhetoric of Mr. Winston Churchill is only a colored fringe embroidered on the main pattern which he cannot alter. The goal is set; and England moves with India at a remarkable pace towards it.

There is not one India, however, but two; between these a very different struggle has begun, and will long continue. There is the

[1] Before these words appear in print that decision will be announced.

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India of Western making, led by a political minority who conceive of the future in terms of democracy, parliamentary debate and constitutional government. And there is historic India, in which popular consent had no part, in which the hierarchy of Hinduism ruled the social and religious life of the people, in which the priestly caste is still autocrat. Between these two Indias there is a divorce more profound than any political dispute; and therefore it is true to say that the battle of the future is being fought not in the visible field of the House of Commons or the Legislative Assembly in Delhi, but, invisibly and universally, in the soul of India. Institutions may be, and will be, established to give India the appropriate instruments of self-government, but the eventual purpose for which they will be employed and the extent to which their political use will foster the development of democracy will depend on the issue of this conflict. Brahman domination of Indian society is incompatible with genuine political democracy; and unless the Brahmans consent to modify their historic claims in the direction of according political rights to the depressed classes there can be no representative government based on real popular consent. The depressed classes believe, with passionate conviction, that they can hope for no emancipation through a change of heart in the Brahman hierarchy and therefore insist on special electoral rights for themselves before British control is relaxed. Those who take a more hopeful view of the general prospect can point to the fact that the existing legislatures have not fallen under Brahman control, that in Madras, for instance, throughout the greater part of the period under review, the Justice Party, a non-Brahman organization, succeeded in maintaining itself in office and excluding its ancient enemies from power. But that result was achieved under the aegis of British rule and offers no proof that in a more purely Indian régime the priestly caste would not resume control. Anyway, it is clear that a great query hangs over the horizon. When the obscuring smoke of the present constitutional battle drifts away the real conflict will be seen in its true character; and on the issue of this conflict will depend the future destiny of the peoples of India.

III

In China there is the same struggle between tradition and reform; but whereas in India historic causes have placed the conflict in a setting of political evolution in which existing institutions

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are reformed and expanded to meet expanding demands, the Chinese Revolution has broken this continuity and swept away the institutions of the past, leaving the ground to be occupied by improvised instruments of government which have as yet no permanence. The ultimate sanction of political authority is proclaimed to be the same in both countries. Constitutionalism is to rest on the will of the people; but in the choice of the method whereby this result is to be reached the current Chinese theory, derived from Sun Yat-sen, prescribes a period of tutelage during which the Party — Kuomintang — exercises political authority because the people are not ready for responsibility. The same theory, though never explicitly stated, underlies British rule in India, where the British Raj has in recent times defined its purpose as that of preparing the people for self-government. In both cases the tutelary power justified its authority by the plea that there was no other alternative; but in the past ten years the comparatively peaceful condition of India has permitted great progress from the period of tutelage to constitutionalism — as shown by the active preparation of the new constitution this year — while the main preoccupation of the tutelary power in China has been to maintain its authority against rivals, leaving little energy or time for the true purpose of the period of tutelage. Moreover, there has grown up in a certain section of the Kuomintang Party in China a belief in its own vested interest in government, and some of its reactionary leaders in the past few years have claimed that any early attempt even to take the first steps towards that sharing of political responsibility with the people, which seemed to be inherent in Sun Yat-sen's purpose, was in fact a violation of his doctrine. Thus the letter of his word was used to violate the spirit: and today the Party finds that, because civil war has diverted attention from its true purpose, and because some of its leaders have made orthodoxy the enemy of progress, it has lost much of the vital sap of its early life and seems unable to acquire a new momentum.

In proportion as the vitality of the Kuomintang Party has declined the importance of individual leaders has increased. Many critics of the Party ascribe the former result to the latter origin, and declare that what they call the militarism of Chiang Kai-shek is the real sterilizing cause. There is a good deal of justification in the complaint that militarism breeds militarism, and General Chiang, like others, is caught and carried in the

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vicious circle. But his critics are too prone to find in this an easy escape from their own responsibility. They have failed to make a constructive contribution at times when the moment was opportune, and in their disappointment at the meager fruits of the revolution they turn and rend those who have held the precarious régime together even in darkest times.

Now in the past ten years the national movement has passed through several phases. For some years after the war Peking was the center, and Canton its growing rival. Peking was in fact only a survival from past times and the real life of the political movement came from the south. The growth of the Kuomintang in Canton was concealed from the world as a whole by the fact that there was still a government of a kind in Peking with which the foreign Powers treated and it was not until a series of incidents occurred in the south that much attention was paid to the Cantonese movement. As late as 1926 foreign opinion in Shanghai, with few exceptions, refused to believe that the Party could ever capture the Yangtse Valley, for it remained in ignorance of the reorganizing work accomplished by the Russians during the previous eighteen months in Canton. Thus what we may call the second phase of the post-war period was well advanced before the north or the world outside knew that it had effectively begun. It reached its climax in the swift advance from Canton to the Wuhan cities and might have achieved even more spectacular results if the Russian alliance which made it possible had not broken under the strain. By the summer of 1927 the Kuomintang was split in two over the question of the relationship to Moscow: the Center and the Right of the Party moved down the river to create a new political center in Nanking, and the third phase opened there in the autumn. Thus in less than four years the movement passed from the Peking phase into the Canton phase (alliance with Russia) and out of the Canton phase again into the period of the Nanking Government, in which the movement still stands looking out upon an uncertain future.

As shown above, the wear and tear of the last six years (1926–1932) has impaired the original revolutionary force of the Party, which is thus face to face today with the exacting task of reconstruction at a moment when its early power has declined. Moreover, popular support has been seriously alienated by the irresponsible tyranny of the local caucuses of the Party, and all classes of Chinese society are in a critical frame of mind. So far

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has this alienation proceeded that recent attempts to seek reinforcement for the Government by bringing non-party groups into active association with Nanking have had a disappointing result, and the survival of the Nanking Government still rests upon the exceptional personal quality of one or two men, notably the President and his Finance Minister, Mr. T. V. Soong. Those who have chiefly profited by the state of affairs have been the Japanese in Manchuria and the Communists in certain provinces in Central China. The effective rule of Nanking has thus been severely circumscribed; and it appears that the general recovery of Nationalism can only be gained by proof given that the Government, within the limited area of its authority, can provide the common people with a better life through a wise policy of economic reconstruction designed to employ the restricted available resources for attainable ends. This, in fact, is what the wiser Nanking leaders are seeking to accomplish with the aid of expert missions from the Secretariat of the League of Nations, and in this policy is to be seen the central beacon in the surrounding gloom.

In the constitutional sphere the principal feature of the past ten years has been the attempt to fill the vacuum created by the failure of the original parliamentary institutions of the Revolution by a provisional constitution which subordinates the whole machinery of legislation, executive administration and justice, to the central authority of the Party. It is admittedly a transitional instrument, but it is capable of expansion into a more genuinely representative system, and one of the recurring subjects of controversy during recent years has been the question whether the moment had come to strengthen Nanking by broadening the basis of the constitution and openly offering the non-party public an effective share in government. It cannot be doubted that a major cause of the growing weakness of the Party is to be found in the fact that this question has been given a negative answer.

In almost any other country such a domestic situation would seem desperate. Progress up the winding spiral of reform is slow and the achievements to be recorded are meager. Yet, measured in terms of the magnitude of the whole task, and compared with the inertia of China's past, there is a genuine core of reality even in the apparently disappointing results of the moment. For my part, I cannot doubt that a creative purpose is at work, and that

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as it gradually animates an ever-widening circle in the nation it will bring into play that indefinable worth which all who really know the Chinese recognize in them.

IV

To many eyes Japan seems to be the sole factor of stability in the insurgent East and the general public tends to look upon her as a bulwark against communism and disorder. But what if this supposed bulwark is itself undermined by the forces which are at work elsewhere? The question is no idle speculation; for both in her economic life and in her political being Japan is in fact so unstable that her leaders look at the future with considerable anxiety. Rural Japan is seething with discontent: industrial Japan stands on a basis too narrow to bear the weight of the superstructure of material civilization built upon it: and the parliamentary régime has fallen into discredit owing to its comparative futility and its corruption. These are the causes of the present quasi-Fascist movement led by the young officers of the Army; and though the world in general has turned its attention chiefly to the by-product of the Manchurian adventure, the Japanese themselves feel that a domestic crisis of the first magnitude is at hand. Manchuria is but the overseas facet of a many-sided problem.

So much may be stated with some confidence as the general truth of the present situation in Japan; but any attempt to forecast the future would lead into regions of speculation regarding the domestic outcome in which we have little to guide us. There are, however, immediate international implications of which Mr. Stimson gave warning in his letter to Senator Borah. They raise the whole question of Japan's relation to China, to Russia, to America, and to the League of Nations; and the manner in which Japan has raised it suggests that the present leaders of her policy have not fully realized all that is at stake in the attempt to reverse the policy pursued since the war. It is a commonplace to say that Japanese policy is dictated by her economic needs; and in the decision how these needs shall best be served two schools of thought are involved. Both adopt the slogan "Relief at home by expansion abroad;" but they give very different interpretations of "expansion." The school which inspired Japanese policy till recently believed that the development of foreign markets in all parts of the world, coupled with genuine coöpera-

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tion at Geneva and a conciliatory but firm attitude in China, would secure the best results. They rejected the militarist interpretations of politics and looked forward to the genuine establishment of constitutional government of a responsible kind. Their chief domestic weakness was their identification with the corrupt parliamentary régime; and therefore, while they seemed to represent a sane realism in foreign policy, they were reputed to be the authors of some of Japan's worst troubles at home. Hence, when events in Manchuria, culminating in the failure of the railway conference in Mukden in 1931, seemed to denote the collapse of their Chinese policy, the tide turned swiftly against them and the militarist reaction leapt into the saddle.

Now it is possible to regard the present movement in the Japanese Army as a healthy protest against domestic evils; but in foreign affairs it seems to be inspired by a recklessness very unlike the prudent realism of the Elder Statesmen. Contemporary Japanese foreign policy is heading straight for isolation. It disturbs Russia, provokes America, and flouts the League; while it altogether ignores the more distant risk of a permanently alienated China. Against these heavy liabilities there is only the asset of control of Manchuria, and this in its turn may prove to be a liability.

The results threaten the world of Pacific affairs, involving as they do the overthrow of the system of the Washington Treaties and the revival of international rivalry in the Pacific Ocean. In the new struggle Japan would be bereft of effective allies. With Russia preoccupied with the Five Year Plan, America crippled by depression, China disorganized, and the League but a distant voice of protest, there may be momentary reasons why the Japanese Government believes it can thus act with impunity. But her policy draws a heavy mortgage on the future, and it is hardly credible that mature reflection will not bring wiser counsel. If it does not, Japan will have bought a temporary political control of Manchuria, worth hardly more to her than her previous economic control through the South Manchuria Railway, at a heavy cost to herself, and equally at the expense of that coöperation with other Powers which is essential to her economic progress.

V

The action of Japan last winter not only revealed a state of emotional tension in the Island Empire but raised the question of

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the function of the League of Nations in a big international crisis. More specifically, it raised the question of what part the League can play in the East. On both counts League partisans were disappointed, and it was commonly said that the League had failed. To test the justice of this judgment it is necessary to examine the scene of its action in the Manchurian crisis.

The League was new to the Far East, and almost equally the Far East was new to the League. Despite the fact that Japan was an original and permanent member of the Council — which might have been supposed to give her a peculiar sense of obligation to it — the principles, aims and function of the League had hardly become familiar to the peoples of the Far East when the crisis broke out. It was commonly assumed that the first function of the League was the pacification of Europe after the war. It was therefore regarded as primarily a European organ, and only after the merits of Geneva had been brought home to the Chinese by the invaluable work of the technical missions of the Secretariat was it realized in China that the League was a living factor in world affairs. As the crisis progressed the Chinese realized, and not the Chinese alone, that there were limitations to the action of the League, inherent in the Covenant itself, and also that the imperfect authority of the Chinese Government over its own territory could not be ignored in estimating what was possible.

The crisis is not over, and until the final settlement is reached it will be impossible to reckon the net gain or loss to the League. But there are certain gains and losses which can be provisionally recorded. It is a definite gain for the world to know that the nearer you can approach to a complete expression of world opinion, as in the Assembly, the more nearly does its judgment conform to the fundamental principles of the Covenant. It is also a definite gain that China, hitherto skeptical, should have placed her case in the hands of the League. The Lytton Report should prove to be a further asset on the credit side. And finally it can hardly be doubted that the League had a restraining influence even in Japan.

Against all this are to be set two serious losses: first, the repudiation by an original member of the League of her obligations under the Covenant; second, the slowness of the Council to realize that something more than a local Manchurian issue was at stake. The first can only be redeemed by Japan herself, the second has been partially atoned for by the attitude of the Assembly. Beyond

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that, no final opinion is valid. But the whole situation prompts certain pertinent reflections.

The test of the new collective spirit in international affairs was applied at a moment when "internationalism" was at a low ebb and Asiatic nationalism at the flood. Is it fair to say that, in consequence, the result can be reckoned as the *worst* that can be expected of the collective system and that, if and when the present wave of nationalistic feeling all over the world subsides, the League will certainly acquit itself better? If so, then the loss is not so serious as it seems. We must leave the surmise to the answer of the future. Something of at least equal import remains. The world of the East is in a plastic state, ready to receive the impress of influence from without. Its peoples grope their way towards a new political life in which the Rule of Law is held up to them as the guarantee of new-found liberty. If lawless force is permitted to command success in such an enterprise as the Japanese adventure in Manchuria, will not the peoples mould the character of their states accordingly and seek security in arms? And if the East is taught to rely on force, the whole world must retrace its steps from Geneva and prepare for chaos.

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CHANGES IN LATIN AMERICAN ATTITUDES

By J. F. Normano

THE main feature of the relations between Anglo-Saxon America and Latin America since the states of the latter won independence is the eternal conflict between economy and ideology. For more than a century the two Americas have been accustomed to the word Pan-Americanism; but sincere Pan-American sentiment has not synchronized with the reality.

In the first quarter of the nineteenth century a romantic "continentalism" dominated the Americas. The feeling originated in the spirit of that epoch, the age of revolutions against European states, when the New World was maturing and the air was full of idealism. This continentalism was a part of the general romanticism of that epoch, of its *Sturm und Drang*, much as the exodus to America had in itself been a protest against European conditions and habits. The New World wanted to become independent, to build a new structure on a new soil, and to avoid any interference from the Old World.

After their emancipation from the Old World the thirteen original states that formed the federal union of the United States began to pay more attention to their distant neighbors in the Western hemisphere than they had done previously. Their new attitude was based on the thought that all the American countries had been following a parallel development from relatively sparsely-populated colonies to the status of free states, and that all of them alike were unburdened by historical or racial prejudices. Thus the Western World seemed, in comparison with Europe, a new and isolated phenomenon, providing a common basis for the development of the common interests of the young states. Among these states there could never be strife in the way that there had been strife between the states of Europe. The attitude was well expressed in the famous letter of the Brazilian student, Maia, to Jefferson: "Nature in making us inhabitants of the same continent has united us in a common lot, in bonds of common patriotism."

Among the reasons for believing in a community of interests the following were always advanced: geographical proximity, a similarity in governmental structure (anti-monarchical and re-

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publican), similar foreign policies (directed against the European danger), similarity of origin as colonies of European states, and a common faith in the common future of the countries of the New World. Hamilton was a spiritual representative of this current of thought when he bade his fellow-citizens to think continentally. Henry Clay, as early as January 29, 1816, asserted in the House of Representatives that the United States might openly have to "take part with the patriots of South America" and spoke of the area "from Hudson to Cape Horn" as if it were a homogeneous territory. At that time—the first quarter of the nineteenth century—it was proper to think in terms of continents.

From continentalism sprang the Monroe Doctrine. It was an expression of the will of the United States to erect a political wall between the Old World and the New, to find safety behind it, and at the same time to guard other states of the hemisphere against common enemies. It was a warning to Europe. This was the sense in which the Monroe Doctrine was understood in Latin America. The Argentine, Carlos Calvo, conceived of the doctrine as a "declaration of complete American independence;" the Peruvian, Maurtua, called it a "Pan-American Declaration." The Monroe Doctrine was an official declaration of the opinions and ambitions of continentalism.

The Panama Congress of 1826 stands as the mark in history of the close of the continental phase. This first attempt to hold a "Continental Congress" was a fiasco. An invitation to attend was sent to the United States, and accepted after some delay. Official representatives were finally delegated—but never arrived. There were reasons why the United States showed so sluggish an attitude. It now was busy at home; the work of building the country had to go on; and material reasons for being interested in faraway neighbors, in "brothers" on the other continent, were still undeveloped. So the Latin American family was left to itself. Then followed the expansion of the United States, heralded by the Mexican War. A new chapter in history was about to begin.

The conflict in the period which I have called continentalism (in distinction to the later official title of Pan-Americanism) is obvious; the exalted ideology did not possess a corresponding economic background.

As a child of the early part of the nineteenth century, continentalism was a product of the political movements of the time and the confusion of ideas then current. It was sponsored in both

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North and South America. On the other hand, the official Pan-Americanism of the eighties, though officially a legitimate child of twenty-one states, was in fact an offspring of the United States only; the other twenty states merely refrained from protest, thus tacitly adopting it. Pan-Americanism inherited its theoretical program from continentalism. Its practical aims were suggested by the economic growth of the United States.

From the time of the Panama Congress the United States had always kept aloof from attempts of the Latin American countries to organize a union. It was not until after the United States had made progress in solving its own internal economic problems that Pan-Americanism was brought to the fore. After the Civil War the industry of the nation shot ahead. Growing industrialization called for new markets. The eagle was ready to fly, and took wings southwards.

When interest in Latin America began to grow in the eighties it became necessary to take account of the strong competition to be met with there on the part of Europe, and especially of Great Britain. The position of the United States for coping with this rivalry was not very favorable. Among Europe's distinct advantages were the fact that geographically she was nearer to South America, traditionally she had a better knowledge of the markets, and financially her position was more powerful. The United States, goaded on by the pressure of its expanding industry, nevertheless entered the fight. James G. Blaine, then Secretary of State, seemed to recall the words of Emerson that "the world is founded on thoughts and ideas, not on cotton and iron," and attempted to find the thoughts and ideas underlying cotton and iron.

The official arguments used in favor of Pan-Americanism in the eighties sound continentalistic indeed; Blaine's ideas were practically those of Henry Clay. But the position of the United States in world economy had meanwhile undergone a considerable change. New motives for the restoration of the old concept had come into play. These new motives, economic in character, were so important that in inviting Latin American states to the Pan-American Conference which eventually met in Washington in 1889 the United States included an invitation to the Brazilian Empire, although to do so weakened the hope of erecting a Chinese wall between Europe and America by continually emphasizing the republican character of the New World.

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When one compares the economic problems discussed at the Havana Conference in 1928 with those which had been before the First Conference in Washington in 1889, the decadence of the movement becomes evident. Even the resolutions adopted at the conferences never were translated into realities. This is equally true of those of prime and those of secondary importance; it is as true, for instance, of the resolution concerning the Pan-American bank or of the proposal for a Pan-American coffee congress as of the decision to erect a monument to Henry Clay.

The economic background was prepared only on the side of the United States. The attitude of the Latin American states was different. Like the United States, they had adopted the unrestricted romantic continentalism of the beginning of the nineteenth century (with the exception of Argentina, which from the beginning showed an anti-continental policy and an inclination toward Europe); in the middle of the century they shared the continental indifferentism of the United States, which in Latin America replaced continentalism (Argentina and Brazil excluded) by an embryonic Hispano Americanism, strengthened by the creation of the *Peligro Yanqui* doctrine. They also shared formally in official Pan-Americanism. But on the side of the United States, as has already been noted, the official Pan-Americanism of the eighties had economic motives. These motives were strange to the peoples of Latin America, since their investments, immigration and culture came from Europe. Further, the methods of expansion adopted by the United States created deep political distrust in Latin America, and after the turn of the century cries were continually raised against the *Peligro Yanqui*. Central America and Mexico were the chief instigators of this attack; but the Antilles, the states of the Pacific Coast, Argentina, Bolivia and Uruguay all joined in.

II

The Great War deeply modified the relations between Anglo-Saxon America and Latin America. It stimulated a revival of the old romantic continentalism and created an economic background for it. It was a unique period of synchronization of economy and ideology in the Americas. The changes in trade and investments that took place during the war are well known. The forced emancipation from Europe united Latin America temporarily to Anglo-Saxon America by economic and financial bonds. The idealism of

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Wilson prepared a favorable sentiment and brought forth talk of "el nuevo Pan-Americanismo." As Mr. John Barrett pointed out: "Never before have the people in each and all of the American nations said so many sympathetic and kind things to each other as they are now doing."

In this period both continents believed for the time being in the old continentalism of the early nineteenth century, preached the unity of America, and failed to note that while it was true that for the southern continent the United States had become the chief buyer, purveyor and financier, for the United States, on the other hand, South America was only one of several great economic divisions. For during the war all quarters of the globe depended upon the United States. Europe for the moment was held in greatly diminished respect, due in part to the contradictory propagandas of the belligerent parties. Professor Percy A. Martin emphasized that "Pan-Americanism ceased to be a mere rallying-point, a diplomatic shibboleth. Under the stress of war it became a dynamic force." It was not the official Pan-Americanism, however, but a revival of the old continentalism.

This epoch was not of very long duration. The end of the war, the new world position assumed by the United States, the rapidly spreading alarm about the *Peligro Yanqui* — all this accelerated the breakdown of the continental spirit. Despite the existence of a ready apparatus in the form of official Pan-Americanism, which had been active since the nineties, the ideals of continentalism could not be realized. Continentalism had lost its motive power due to the changes in basic factors; the revolution in transportation had destroyed the geographical argument; time had removed the political motive. Today the common past is no longer anything but an historical memory, and no one longer gives credence to a common future. Under the impetus of the World War continentalism had a re-birth, but it was only to survive an hour.

III

Today the most discussed problem of inter-American relations in Latin America is not Pan-Americanism. It is the *Peligro Yanqui*. This really is a part of a more general conception, the "American danger" — a conception which, it should perhaps be emphasized, is also apparent in other parts of the world. Each great nation has its day of world power. Always it is accom-

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panied by discussion about the danger involved for the rest of the world. Was not the French danger the talk of Europe at the time of Napoleon, and was not Napoleon fighting against the British danger? And we well remember the German peril, the Russian peril, the yellow peril. The period since the World War has seen wide propagandizing of the American peril.

Simultaneously opposition to official Pan-Americanism has been growing. Spanish America participates in Pan-Americanism, but places neither faith nor affection in it. A revolt against it is in the making. Frequent speeches are heard about "the dead body" of Pan-Americanism, about the "useless principle" involved, about its "dangers." A revolt is even starting in the "Hofburg" of the organization — in the Pan-American Union itself. The demand is made that Pan-American congresses be replaced by racial conventions. The present conferences are called "congresses of mice presided over by a cat," or "meetings of opposed brothers;" the organization in Washington is called the "Ministry of Colonies;" Pan-Americanism, it is said, is no more than a "Pan-Yankeeism," or the "manifestation of North American imperialism." Latin Americans would prefer under these conditions to stand aloof. They are not inviting foreigners to join in "family quarrels." Moreno Quintana suggests a Latin American league.

As early as 1895 there had been a new attempt to convene a Hispano American Congress. In 1914 and again in 1917 it was proposed to found an "American House" in Paris, the idea being to create in Paris "an association similar to the Washington Pan-American Union" under the auspices of all the nations which had colonized America. Rafael Reyes considered the Ibero-American Union in Madrid a future parallel to the Union in Washington. A project has also been under discussion to coördinate Latin American diplomatic activities in the various capitals and to organize local congresses in each. Nor must we omit to mention the attempt that was made to transform the Pan-American Scientific Congress at Lima in 1924 into a purely Latin American occasion. The Panama Congress of 1926, in commemoration of the First Congress of 1826, impressed Professor Clarence H. Haring as being "in reality a purely Latin American gathering, the United States being tolerated because of its bigness, and the political and economic power it wielded, but rather as a spectator than as a participant."

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IV

"La dansa de los milliones" and the economic collapse followed the morrow after the Armistice. In no other epoch has so much been said in the United States about Pan-Americanism, and in Spanish America about the "American Danger," as in this twofold period of prosperity and collapse. During it the last traces of the continentalism temporarily revived by the war disappeared entirely.

The attempts of Europe to regain her lost position in Latin America, and the accompanying European propaganda; the new world position of the United States in general and its financial dictatorship in particular; the rush of capital from the United States into the foreign field and its acquisition of the new rôle of greatest customer, supplier and financier of the Latin American countries — all that, but above all the rapid tempo, caused fright. The psychological changes were strengthened by the economic discontent which later occurred on both sides. When the coincidence of world and domestic crises aggravated the situation in the Latin American countries, the United States would not and could not finance them any longer; they on their side found reasons to be disappointed about the ways of the previous financing. A series of suspensions of debt services, and the well-known events of the last two years, have poisoned the atmosphere still further.

The old continentalism is dead; Pan-Americanism exists only in Washington (of course the Pan-American Union performs a series of important and useful functions); and as no help and support is to be expected from Europe in such difficult times the European tendency, and especially Hispanism, is quiescent. Instead there is a growing tendency toward nationalism in the Latin American countries.

When Latin America started to examine her own ideology two tendencies became crystallized. In the great Atlantic countries of South America a rapid growth in economic nationalism took place; in several other countries, especially Mexico and the Pacific states, occurred a revival of Indianism. The economic nationalism of the stronger states is optimistic, looks to the future, and aims at industrialization and at securing emancipation from native economic peculiarities. The revived Indianism of the weaker states is pessimistic, harks back to the past, and attempts to

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develop the concept of "Amerindia" or "Eurindia," to use the word coined by Ricardo Rojas. In this it is influenced superficially by the talk about "Eurasia."

Putting the two ideas in terms more familiar to the American reader, it is the conflict between the "Middletown" of Robert S. Lynd and Tepoztlan as painted recently by Stuart Chase. Middletown is the aim of the economic nationalists, Tepoztlan of the Indianists. Each side considers its program as a policy of defense against the influence of foreign capital in general, and especially against the *Peligro Yanqui*. The first fights it by opening the doors to it and adopting its methods, remembering the lessons and example of history to the effect that economy in the process of development produces its own antitoxins; it acts on the belief that industrialization is the insulin to counteract the foreign virus, and that the process is facilitated by foreign capital itself. Indianism prefers to avoid the influx of foreign capital, even though that means sacrificing the possibilities of material development. We see a tendency of the kind in the United States today; but it is a sort of literary game, an intellectual protest against "Middletown," against the domination of the material side of life. For Latin America, however, "Middletown" is economically still a faraway ideal.

Parallel with the changes in ideology some new political tendencies are seen in Latin America. Thus we notice that the economic nationalism of the larger states leads to a quest for wider markets as a preliminary condition of large-scale industrialization. Despite internal political struggles and difficulties, this tendency can be clearly seen in the recent history of the two great states of Latin America, Brazil and Argentina. Argentina, for example, has developed a "local imperialism," as evidenced by her economic penetration of her neighbors, Paraguay, Uruguay, Bolivia, and even the Brazilian state of Rio Grande do Sul. Indeed, Argentina has changed her traditional anti-continental policy and is on the way to becoming the leader of Spanish America. Buenos Aires is now the center of the movement for a Spanish American union (or at least local federation), the movement against the United States and favorable to Europe. Among the symptoms of an intelligent and planned Argentine policy in this direction is the new attitude of Argentina toward the League of Nations; she obviously expects to become the recognized speaker there for all of Spanish America. Other evidences of the

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tendency toward coöperation in Spanish America were seen at the economic parley in Montevideo and the Central Bank Conference in Lima in 1931.

It is impossible to state if the time is at hand for the formation of the big federations in Latin America predicted by the late Archibald Cary Coolidge. But it is beyond denial that the means of communication and the technological progress brought to Latin America by foreign capital are powerful factors operating against the centrifugal forces which have been at work there ever since the proclamation of independence. Indeed, the twentieth century seems to offer strong possibilities for the integration of those parts of Spanish America which set off on separate courses one hundred years ago.

V

As already related, there are many circumstances which make the present position of the United States in Latin America difficult and complicated. In the United States there also have been events which have made the feeling toward Latin America as a whole much less friendly. The same sections of public opinion in the United States which always used to be *pro* have now become outspokenly *contra* in connection with the suspension of debt service by many Latin American countries and the destruction of the Latin American bond market in Wall Street.

The fact is that in the situation in which Wall Street found itself in 1931 any careful investigation of the problem was out of the question; and the general confusion affected the situation of Latin American securities still more pronouncedly. The campaigns in press and Senate were directed not against foreign bonds in general but chiefly against Latin American bonds. The man in the street feels he has been hurt by "those South Americans." Many elementary mistakes were allowed to pass muster in these discussions. Critics neglected to take into account the process of repatriation of these bonds and the large demand for them which there had been in Europe. They forgot that not all of the countries suspended debt service, and they lacked the perspective to make a historical comparison with the events on the London bond market one hundred years ago. Their behavior was that of "freshmen" in investments. Needless to say the repercussions of this campaign did not better feeling in Latin America.

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VI

The two Americas are bound together with ties stronger than sentiments, existing or imaginative. The United States is a partner in Latin American economy, and Latin America needs this participation for her own economic development.

That being so, it is high time for the United States to make an attempt to construct a program of realistic economic policy toward Latin America, a more businesslike policy than its present policy, one like that of Great Britain, which does not play with sentiments but appeals to sound self-interest.[1] Such a program would have to take into account the different aspects of the Latin countries on the northern and southern continents, and pay attention to the fact that a transfer of the center of interest to *South* America took place as a result of the post-war evolution.[2] An attempt to draw up a constructive program will show that the interests of *South* America and of the United States are not in conflict; both need an improvement of the financial situation of Latin America as a whole. But post-war experiment has shown that it is impossible to make a country financially sound by means of technical reforms. It is of no use to reorganize the financial structure when the economic background has not yet been even investigated. To introduce the most modern forms of income tax into Peru or the principles of the Federal Reserve System into Bolivia is useless. We must not forget that the South American countries are simultaneously living in different economic stages, that they present a living museum of economic history, that the frontier is still moving in some of them and has really not yet moved at all in others, that the development of national economy means the end of monoculture and industrialization, that this development will form the background of a new financial organization, with new taxpayers and new fiscal possibilities. The right economic program for South America needs for its accomplishment a continuation of direct investments from the United States, which have already contributed largely to the process of modernizing Latin America.

The United States has vast invisible investments in Latin America. They are invisible because only a few of them have been accompanied by the issuance of securities, and very few of these

[1] See Lord D'Abernon's report of 1930 as a model in this connection.
[2] Incidentally, the special bond problem is mostly that of South and not of Latin America.

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are listed on the Stock Exchange. Who are these investors? Why do they not complain about the defaults? The peculiarity of this kind of American capital exportation is that it is concentrated in a few hands. The limits of national enterprise have been extended by the great industrial corporations of the country through the formation of foreign affiliates. They are the reflex of the pressure for new outlets, of the desire to divide the risk geographically, to be insured against the uncertainties of local natural phenomena, not to be limited by the raw material supply of one country, and to be freed from its cyclical fluctuations.

Each of the giants of industry seeks to obtain world domination in its own specialty and to secure thereby a rationalization of its activities. That is why the Standard Oil fights for a monopoly, the International Telephone and Telegraph for cable lines and centers of communication, General Motors for distributing facilities and outlets. That is why Ford is securing future supplies of rubber through concessions in Brazil, and why Firestone is entering Liberia. For the same reasons capital from the United States has been invading Bolivia ever since the exportation of tin ore to the United States from the Federated Malay States was prohibited by a heavy tax.

These investments and not the bonds held by investors have formed the backbone of the growing trade of the United States with Latin America. To make this plain let us compare the structure of foreign trade with South America with that of direct investments in South America. The exports from the United States are in the main composed of a few articles of modern mass production — motor cars, radios, phonographs, machines of various sorts. These are products of newly organized large-scale industries, manufactures mainly for the satisfaction of new wants and symbolizing the technological culture of our times. Who produces these articles? In the main the same big industrial corporations which direct the investments. The imports of the United States from South America are mainly vegetable or mining raw materials, such as coffee, petrol and tin. Who produces them in South America? Mainly the affiliated organizations of the same big corporations of the United States. In other words, much of the foreign trade of the United States with South America is dominated by the same firms which are regular investors in local industries there. Trade with South America and direct investments there are an appendage of the industry of the United

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States. The chief figure is not the New York financier but the world-wide corporation with main offices in the United States.

This exportation of capital has not entirely stopped even now. Of course the South American subsidiaries of United States corporations suffer from the world and local crisis; the head offices are not authorizing enlargements of plant and equipment. But the conditions of the foreign exchange markets in the different countries often force the investment of accumulated local currencies in local enterprises. When the Standard Oil Company is unable to get its money out of Brazil, as a result of the exchange situation, the only possibility of saving it under present conditions lies in letting it go to work where it is. The legal position of these investments is ownership and not a promise to pay. Management is by specialists. Practically they possess a capitalistic monopoly. From the standpoint of the United States economy they move the borders of the domestic market and of domestic production.

The economic situation of the United States requires concentration of effort on the elaboration of a national economic policy. There must be capitalistic planning in the field of foreign investments. Thus it seems logical to believe that a National Council on capital export policy would be very busy with Latin American problems. An organized and well-planned offensive in this part of the world would open up new possibilities not only for industry but for commercial overseas banking (where the opportunity now exists to replace the pound sterling with the dollar), and later on for the investment banker too. The development of this program, by enabling South America to reorganize its financial structure, would lead *per saldo* to the repayment of the now frozen investments of the man in the street.

This program, if developed in coöperation with local forces, would have the support of the "industrialists" in Latin America, who remember the rôle played by foreign capital in building up British industry, in the development of French railroads, in the growth of railroads and industry in the United States, and in the industrialization of Japan. It need hardly be emphasized that for this economic program to succeed there would have to be developed simultaneously a political program which would take into account the new tendencies in *Spanish* America, and treat individually the countries of *Latin* America.

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VERSAILLES: RETROSPECT

By Hamilton Fish Armstrong

"We may perceive plenty of wrong turns taken at the cross roads, time misused or wasted, gold taken for dross and dross for gold, manful effort misdirected, facts misread, men misjudged. And yet those who have felt life no stage-play, but a hard campaign with some lost battles, may still resist all spirit of general insurgence in the evening of their day. The world's black catastrophe in your new age is hardly a proved and shining victory over the principles and policies of the age before it." — *Morley:* "Recollections."

IN THE hundred years before 1914 Europe was torn by the wars which gave one people after another varying degrees of liberty and union. In its origins the Great War was one of that series. It seemed like the last, for it threw practically the whole Continent into the melting pot, snapped old bonds of servitude from the Baltic to the Ægean, ended in the complete victory of the side which had proclaimed self-determination as a guiding principle, and was followed by a conference in which high-minded men armed with impartial and thorough documentation exercised an influence unparalleled in the history of peace making. All the elements seemed to be at hand for a final decision based on abstract justice. Unfortunately they were not so clear-cut and above contention that the only thing needed was a decision by ordinarily honest men, or even an honest decision by supermen. Old invasions, wars and colonizations had pushed peoples this way and that, squeezed them across mountain ranges and rivers into lands occupied by other races and tribes, here mingling their blood, there dividing fields and villages between them, opening up new streams of commerce and culture and damming old ones, ceaselessly modifying, rearranging, mixing. Thus along every proposed frontier ethnic, historical and economic rights were in conflict. The first mistake made by critics of the peace treaties, then, is to say that their territorial provisions represented a compromise between clear right and clear wrong. In most cases the choice which the delegates had before them was not between right and wrong, but between right and right — the right of the victor and the right of the vanquished. On the whole, when rights were not in conflict, the Conference tried to base its decisions on high principles; when rights were in conflict it usually favored the victors.

These notes, it should promptly be explained, will not try to give even a birdseye view of the whole peace settlement, but will merely survey one part — the part in which there has been little

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or no revision, the frontiers. In other particulars the treaties have already been revised, drastically and often, notably in the sections regarding reparation, the trial of war criminals, military control and the occupation of German territory.[1] It was Stresemann who won most of these victories for Germany. Had he lived to pursue his program of piecemeal revision he doubtless would have turned next to a discussion of arms equality as part of the general question of disarmament — and would very likely have been successful. He might even have found a way of dealing once for all with Article 231 — the "war guilt" clause — a continuing psychological barrier to any true Franco-German *rapprochement*. It was Stresemann's genius that he saw the value to Germany of accepting the Versailles Treaty as the fundamental law of Europe, so that, strengthened by having accepted it, he might proceed to demand revision of palpably unjust provisions. It was his error that he never educated the German people to a realization of the benefits actually secured for Germany by coöperation with France. And after his death there was no sufficiently weighty body of German opinion to force the continuation of his policy. That it had lapsed, the Anschluss fiasco of March 1931 gave definite proof. Stresemann would never have sanctioned that dangerous and obviously futile gesture. He saw clearly something which was hidden from his Hungarian colleague, Count Bethlen. Bethlen said of the Treaty of the Trianon, and endlessly repeated, "*Nem, nem, soha!*" —"No, no, never!" He rejected it *in toto*. The degree to which the Treaty of Versailles has been modified, while the Treaty of the Trianon remains unaltered, is a measure of how far each statesman was right.

The delegates at Paris were handicapped not merely by the disarray on the ethnic chessboard, but also in another way frequently forgotten. The Peace Conference met formally for the first time on January 18, 1919. The new states of Europe had come into existence long before that, and their governments and armies were already exercising effective control within frontiers much the same as those officially delimited later on. This is not true of one most controversial part of the final settlement: the Peace Conference awarded the Corridor to Poland deliberately. But with this notable exception the Conference took as its starting point the lines of demarcation determined locally when

[1] Interpretations of the Treaty have also been revised. Thus Mr. Lloyd George not only did not hang the Kaiser, but came around to being sorry he could not hang M. Poincaré.

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hostilities ceased. The Conference did make a number of frontier rectifications, and in several debatable regions, for example Schleswig, Upper Silesia and the Klagenfurt basin, insisted on plebiscites. But orders for sweeping alterations of the pattern into which Europe had fallen in the autumn of 1918 would have had to be backed up by force. That was out of the question, even on the assumption — far from accepted — that sweeping alterations were desirable or would be just. Victors and vanquished alike were exhausted and alike knew that communism, already entrenched in several centers, would be the only beneficiary of any such folly as renewed hostilities. In almost no cases were alterations feasible on a scale which would have markedly changed the present geography of Europe or mitigated the fundamental discontent and desire for revision which have prevailed among the defeated peoples.

To understand the powerful moral and material position of the new states we only need try to disentangle the military events which closed the war from the developments which had brought the various national movements to a head and gained them the support of the Allied world. So closely were they connected that we are at a loss what to put down as cause and what effect.

On September 15, 1918, the Allies (with the Serbian army bearing the brunt) launched the offensive in Macedonia which crumpled up the Bulgarian front and in two weeks forced the Bulgarian army to capitulate (September 29). Almost simultaneously (September 18) Allenby started rolling up the Turkish front in Palestine. The collapse of Bulgaria and Turkey ushered in the final phase of the war on the western front, where the German lines had been rocking since Haig's attack early in August. On October 3 Hindenburg informed the new Chancellor, Prince Max of Baden, that the military situation was desperate, and the next day the Chancellor sent his first note to President Wilson asking for an armistice. But Germany was not yet ready to recognize defeat, and military operations and negotiations continued simultaneously. The Allies broke in turn the "Siegfried" and "Hindenburg" lines. On October 27 Austria-Hungary accepted President Wilson's conditions of Jugoslav and Czechoslovak independence and asked for pourparlers; that same date the line on the Piave was broken and on November 3 Austria-Hungary signed an armistice with Italy. The Emperor Carl's last-minute offers of compromise with the congeries of races over which his family had ruled so long went almost unnoticed in their

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rush to their own national standards. On November 7 the German Armistice Commission left for the Allied lines, on November 9 the Kaiser abdicated, and on November 11 hostilities ceased on the western front. The next day the Emperor Carl abdicated.

The fighting was over. But more than two months were to elapse before the Peace Conference could begin its labors. In the interval the new-born and aggrandized states hastened to consolidate their positions. Those positions were already very strong, due to the deliberate policy adopted by leaders in England and France — once President Wilson had partially relieved them of the weight of the Treaty of London — of encouraging the subject peoples of the Central Empires to assert and fight for their national rights. For illustration take the transformation of the Czech and Slovak people into the Czechoslovak Republic.

The national revival of the Czechs, like that of the Poles and the Jugoslavs, began early in the nineteenth century, but took on new momentum after '48 in view of the refusal of the Austrians and Magyars to solve the nationality problem of Austria-Hungary in a spirit of federalism and equal rights. From the start of the war the Czechs and Slovaks showed their feelings by passive resistance, by wholesale desertions, and by secret organizations making ready for the day of open action. On November 14, 1915, Masaryk and his revolutionary colleagues published their first manifesto and two months later a National Council was formed abroad with Masaryk as President. By December 1917 such numbers of Czechoslovaks had come over into the Allied camp that President Poincaré authorized the establishment of an independent Czechoslovak Army in France. The victories of the Czechoslovak Legions in Siberia in the summer of 1918 attracted attention, and the right of the Czechoslovaks to independence began to be recognized on all sides. The British Government declared itself sympathetic on May 22, 1918. On May 29 the United States Government approved the anti-Austrian resolutions of the Congress of Oppressed Nationalities held in Rome. On June 29 France recognized the National Council as head of the Czechoslovak movement and army, while on September 3 the British Government recognized it as the embryo of the future Czechoslovak Government. The American and Japanese Governments followed suit. On October 14 Beneš announced the decision of the National Council to establish an interim government in Paris, and this government was recognized within the next few days by

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France and by Italy. On October 18 (the day on which Wilson rejected the Austro-Hungarian peace offer on the grounds that since his Fourteen Points speech the American Government had recognized a state of war between the Czechoslovaks and Austria-Hungary) Masaryk, then in Washington, signed the Czechoslovak declaration of independence. On the night of October 27 Austria-Hungary capitulated, and the next day the National Committee at Prague took over administration of the Czech territories.

In other words, since the Czechoslovak state had already been recognized as the protégé and ally of the Allied Governments it needed little or no further recognition from the Paris Peace Conference, and the subsequent treaties of peace merely confirmed that recognition. It existed. There remained to delimit its precise frontiers. These were subject, as said above, to some variation. But the Czechoslovaks had proved their mettle, they had made the Allied cause theirs, and they possessed spokesmen of the very first rank, both in political ability and moral force; they asked for a viable state, and the rights of their nine millions were given precedence over the rights of the large German masses found within the historic borders of Bohemia.

It was much the same story with the Poles. As early as the autumn of 1917 France, Great Britain, Italy and the United States had recognized the Polish National Committee, formed mainly through the efforts of Paderewski, as the official representative of the Polish people. And a Polish army was already in existence in France when, on October 6, 1918, the Polish Regency Council, set up in Warsaw a year earlier by the Central Powers, declared openly for a free Poland.

Equally inevitable, as the war progressed, became the eventual attitude of the Allies toward the Jugoslavs, Rumanians, Greeks and others that already had existing states about which to rally. Early in the war England, France and Russia had disregarded the principle of nationality in their secret agreement with Italy. But at Paris President Wilson refused to countenance the Treaty of London in any way, much less be bound by it. His attitude toward the subject nationalities had been plain even before the United States entered the conflict; and so much did Allied policy change under the pressure of war events and the constant reiteration of the Wilsonian program that by the spring of 1918 even Italy had found herself giving roundabout approval to the declarations of the Conference of Oppressed Nationalities.

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Serbia's unexpected repulse of the first Austro-Hungarian "punitive expedition," her fortitude in the long disasters that followed Allied miscalculation of Bulgar intentions, the rebirth of the Serbian armies in Macedonia under Prince Alexander and Voivode Mishitch, and their decisive part in the final Allied offensive there — these happenings, distant though they were and imperfectly reported in the Allied press, gave Serbia rank with Belgium as a pattern of national endurance. The Jugoslav cause, of which Serbia was the core, had no meteoric representative in the Allied camp like Paderewski, no philosopher like Masaryk to expound its moral and legal claims. But the Serbs were themselves partners in Allied counsels and operations, and when victory finally perched on their tattered banners their right to play the rôle of Piedmont in the union of the Southern Slavs was beyond gainsaying. Indeed that result was not only indicated by the whole course of events in the nineteenth century, but had been specifically declared the objective of the Serbs and of their kinsmen the Croats and Slovenes as far back as July 29, 1917, when the Pact of Corfu was signed by Premier Pashitch of Serbia and Dr. Trumbitch, President of the Jugoslav Committee. The Jugoslav National Council, meeting in Zagreb on November 23, 1918, gave effect to the Pact and accepted the Serbian Prince Regent as ruler. About the same time the Prince Regent also received notification of the vote of the Podgorica Assembly (November 26, 1918) overthrowing King Nicholas and uniting the Serbs of Montenegro in the new Jugoslav kingdom.

Events in Rumania in 1918 led to similar conclusions. It will be recalled that Rumania first declared war on Austria-Hungary in the middle of the summer of 1916. Before the end of the year Austrian and German forces had taken Bucharest, but the struggle continued, and it was not until after the Russian collapse that Rumania was forced to make peace. The Treaty of Bucharest shut Rumania off from the sea, brought the Hungarian frontiers across the Carpathians, and put the whole economic resources of the country at the service of the enemy. On November 9, 1918, Rumania reëntered the war and was numbered among the victors.[2] As she had not participated in recent hostilities the armistice line in Transylvania was not very favorable to her, and in February 1919 the Peace Conference agreed that the Rumanian line of

[2] Bessarabia had meanwhile been incorporated in the Rumanian state by vote (April 8, 1918) of the Supreme Council of the "Moldavian Republic," established after the fall of the Tsar.

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occupation should be moved further west (to include Arad), on the score that Hungarian forces were terrorizing the Rumanian parts of Hungary remaining under Hungarian jurisdiction. Later the Rumanians, attacked by the Red Army of Bela Kun, pushed forward still further; eventually, despite Allied threats and cajolings, occupied Budapest (August 4, 1919); and were only induced to withdraw three months later.

As for the German-Austrians and the Magyars, they lost no time in breaking the bonds of the Dual Monarchy, and subsequently sent separate delegations to Paris to sign the treaties of St. Germain and the Trianon. The question of their union or disunion was not before the Peace Conference. That had been settled in Vienna and Budapest; and the dispute over the Burgenland destroyed any possibility that these two peoples, long joined under one crown but dissimilar in temperament, could come together again in the near future.

An eminent American historian had the ill-luck to choose the spring of 1914 to describe the national aspirations of one of the peoples mentioned above as "the stock in trade of the demagogue, the theme of the rhymer, the subject of baby talk and cradle song."[3] Within a few months those aspirations were to appear in a very different light. They were to produce soldiers of the utmost determination; and those who could not fight openly they were to turn into fanatics, martyrs, assassins and heroes, glad to die in exile, prison or war in the mountains. When the day for the realization of old hopes finally arrived, the nations just released from an ancient yoke or from the heel of occupying armies used their new freedom, everything considered, with restraint. The Peace Conference stepped in to modify their demands at many points. But they could not have prevented the new nations from coming into being even had they wished to. They did not wish to, and it is yet to be proved that they were wrong.

Something should also be said about the allegation that the Peace Conference was traitor to the cause of freedom. The diffi-

[3] William Milligan Sloane in "The Balkans: A Laboratory of History." Similarly Balfour once spoke of Irish patriotism as an exotic, and Irish nationality as a political afterthought (J. H. Morgan: "The New Irish Constitution," p. xi). A classic example of bad timing in indicting a nation is the statement made by Price Collier on the eve of the war: "The world wonders at the decadence of school-beridden France, where the boys are effeminatized, the youths secularized, and the men sterilized morally and patriotically; France with its police without power, its army without patriotism, and its people without influence; disorderly at home and cringing abroad; a nation owing its autonomy even, to the fact that it is serviceable as a buffer-state." ("The West in the East," p. 86.)

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culty about a great universal cause is that its complexion tends to alter as one approaches nearer. Thus the delegates who set to work at Paris on the assumption that self-determination was a principle universally commended, not only found the application of the principle extremely difficult but also soon discovered that the compromises which geographic, racial and economic realities forced upon them destroyed not merely faith in their ability and impartiality but faith also in the aim which everyone had applauded them for choosing.

Nationalism had grown sturdily all through the nineteenth century, broadening the base of its appeal with the spread of popular education and the widening of horizons due to the development of industry and of means of communication and transport. It grew side by side with democracy. But the principle of self-determination, which had been one of the two chief planks of liberalism in the early and middle part of the nineteenth century, had become much less fashionable among the intelligentsia after they had watched it in practice in Italy and Germany. Noting the return to a mercantilistic protectionist policy on the part of countries recently organized into larger national units, they decided that liberation in the political field endangered liberation in the economic and social field. It therefore became their tendency, beginning in the seventies and eighties, to concentrate on domestic reforms. Thus it came about that when Wilson began voicing his plea for "free nations" it sounded a bit old-fashioned in their ears; nor is it a secret that Wilson himself, in order to undermine the Central Powers and shorten the war, stressed the principle more than his faith in it really authorized.

To the intellectual reasons which made pre-war liberals care less than their predecessors about the principle of self-determination, the events of 1914–1918 added psychological reasons growing out of the fact that the principle was gaining universal lip-service and actually beginning to receive general application. For liberals are perfectionists, and they also are by nature in favor of the under dog. After generations of being exploited, the subject nationalities which had awakened the admiration of Gladstone and Morley were now turning the tables, where they could, on their old oppressors. Forthwith their traditional advocates shifted over to the other side. Sometimes the Peace Treaties gave them substantial provocation for a shift, *e. g.* the disregard of the principle of self-determination in the prohibition of the Anschluss

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and in the decisions regarding the Tyrol, the Grosse Schütt, etc.[4] In other cases their reaction was automatic; they failed to recognize that there could be two rights, and thus (for example) could see no excuse for transferring a belt of Transylvanian Magyars to Rumania rather than leave a belt of Rumanians under Budapest, or for including in Czechoslovakia a couple of million Germans living compactly just inside the Bohemian mountain ring in order that the Czechs and Slovaks might have a viable state.[5] In sum, the liberals whom many Peace Conference workers had relied upon to acclaim the new map deserted their traditional protégés because they had not foreseen what Waldeck-Rousseau knew when he wrote, "Avant de devenir sage, il faut avoir été longtemps libre." They only saw that those protégés had turned out to be far from perfect; and this, with the fact that the umpires could not award perfect decisions, made them back away in disgust.

As a matter of fact the intelligentsia might have found much to admire in "the New World." Three great autocratic dynasties — Hapsburgs, Hohenzollerns, Romanoffs — had been swept away, and the Sultanate with them. Only here and there did feudalism save any vestige of its prerogatives. A hopeful standard had simultaneously been raised — the Covenant of the League of Nations. States rallied to it with varying degrees of enthusiasm; but almost all felt it incumbent upon them to subscribe to its provisions, making it a highwater mark in the long effort to substitute negotiation for decisions by force. Adoption of the mandate principle was little short of revolutionary, and might well have been taken by liberals as the world's recognition of the justice of their persistent and telling attacks on imperialism. The mandate system was not applied perfectly, and has not worked perfectly; but it offers a way for mandated peoples eventually to get loose from European suzerainty without resorting to war, and it provides graceful means for the European Powers to let them go without losing face. There were other important by-products of the war, not to be credited to the peace treaties,

[4] Prohibition of the Anschluss was a concession to French and Italian fears that if Austria in desperation joined Germany the new states of Central Europe would not have time to develop firm roots before German pressure became too strong for them. Few believe that the prohibition will or should stand indefinitely. Probably it would already have lapsed had Germany and France reached accord on other points. On the other hand, recent developments in Germany have considerably weakened Austrian enthusiasm for union.

[5] The extreme desire of the German race not to lose control of Bohemia, like the willingness of the Allies to create the Czechoslovak state, probably grew in part from the feeling expressed by Bismarck: "The master of Bohemia is the master of Europe."

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perhaps, but at any rate not prejudiced by them — a great sweep forward of agrarian reform, for instance, which realized in large part the desire of European peasants to own the soil they till. Above all towered the fact that more people were free than ever before to decide their own destinies. It has already been pointed out that in detail the "frontiers of freedom" were open to criticism and that in several important cases the principle of self-determination had been thrown overboard. The consequences of these lapses were supposed to be mitigated by the operation of the minorities treaties (of which more later). Particular points of contention aside, the broad fact remains unchallenged that today vastly more people on the continent of Europe live under their own national régimes than did before the war.

Consider, for example, the area that was Austria-Hungary. In 1914 Vienna and Budapest ruled over more than twenty-eight millions of subject races (*i. e.* Czechs, Slovaks, Jugoslavs, Rumanians, Poles, Ruthenians and Italians). Today in that same area the ethnic minorities under alien rule are estimated at something under fourteen millions.[6] For our present purpose we might subtract from that total the minorities which are still under the same alien rule or which have merely changed one foreign ruler for another — the non-Germans and non-Magyars now in Austria and Hungary, for example, and the Germans in Hungary and the Magyars in Austria, all of whom are in general no worse off than they were in the Austro-Hungarian Monarchy; the Jugoslavs who passed from Austria-Hungary to Italy; the Ruthenians who went to Czechoslovakia, Poland and Rumania; and so on. If we deduct all these (a total of nearly six million) we obtain a figure of about eight million for what we might call "new minorities." In other words, there were twice as many persons under alien rule in the old Austro-Hungarian Empire as there are today in the same area; and of the present number nearly half find themselves at least as well off as they were before.

Elsewhere on the continent many other minorities have been wiped out and some new ones have been created. The French-speaking inhabitants of Alsace-Lorraine have returned to France, and with them have gone the German-speaking inhabitants of that province. The Danish minority in Germany has shrunk to insignificance following the transfer of Northern Schleswig to

[6] The figures are hard to determine accurately, but the total given is not far wrong. Jews are not counted, their numbers being more or less constant.

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Denmark. The great mass of some nineteen million Poles are now united in the Polish state, together with a large block of other Slavs and about a million Germans. That classic example of racial confusion, Macedonia, has been divided up anew, with the Jugoslavs this time getting the lion's share; the Turk is definitely gone. Bessarabia the Peace Conference held to be predominantly Rumanian, both ethnically and historically, and its partly spontaneous and partly engineered transfer from Russia incorporated a large group of Slavs in the Rumanian state. In Greece, the exchange of populations has left only small minorities under Athens, and in turn the number of Greeks under foreign rule has become comparatively insignificant. In the Baltic states there are small German, Russian and Polish minorities, but these do not compare in numbers to the liberated Latvian, Esthonian, Lithuanian and Finnish nations, comprising more than seven million persons. All in all, be it repeated, there has never been a time when so many Europeans were under their own national governments. That some sections of them do not like those governments is not the fault of the Peace Conference, which did not, for example, invent Italian fascism or Croat separatism.

Nor are minorities today without redress for wrongs, material or sentimental, as minorities were before the war. There are two theories as to how minorities should be treated. One is that they should be given protection and encouragement in preserving their separate culture. This theory led the Peace Conference to impose a series of minorities treaties on the states recently established or enlarged; and Austria, Hungary, Bulgaria and Turkey were forced to accept similar obligations regarding minorities left within their frontiers. Those who hold the second theory consider themselves more realistic. In their view, the Peace Conference did the best that was humanly possible to disentangle the races of Europe; that attempt having been made, they see nothing to be gained by perpetuating the separatist tendencies of ethnic units whose cases defied solution in 1919. They claim that to force the exchange of irreconcilable populations (*e. g.* between Greece and Turkey) is not different in principle from allowing nations to throw remaining minority elements into the melting pot; both processes, they argue, work hardship during one or two generations, for the sake of future homogeneity and peace. In other words, they take the advice of Machiavelli to the Prince, that injuries which have to be inflicted should be inflicted quickly, once for all. The Con-

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ference rejected this point of view, adopting instead the principle that minorities will continue to exist indefinitely and are entitled to equal treatment and full freedom to use their own language and practice their own religion. To the League was given the task of seeing that the minorities agreements were carried out.

Complaints have been heard that the League has dodged its responsibility of watching over the minorities, and that its machinery is inadequate; nor has it escaped comment that the Great Powers did not themselves accord minorities the guarantees which they exacted from the smaller nations. But on the whole, given the necessity of avoiding the creation of states within states, the experiment of international regulation has won praise from those who did not expect mankind to be regenerated at one stroke; recently, too, it has been recognized that disturbances of the sort customarily attributed to some mistreatment of minorities are often simply the result of general civil discontent, deplorable certainly but not to be blamed on the authors of the peace treaties. At any rate, avenues of appeal and pressure are now open to most of the European minorities in cases where they feel that their rights are being seriously infringed. As a result it seems unlikely that there could long pass unrebuked such glaring discriminations in educational, property or franchise matters as existed before the war in some of the very countries which now feel most outraged by what they claim are derogations to their national sovereignty. No one would pretend that the lot of Europe's subject populations is perfect today (though in several countries there are signs of real reconciliation); nevertheless one is justified in emphasizing the fact that although the war is still fresh in men's minds minorities are being treated better on the whole than were pre-war minorities, and have means of redress at home and abroad which were unknown in 1914.

At one important point — the Polish Corridor — criticism of the Versailles Treaty is based not on any glaring violation of the principle of self-determination, but on the allegation that ethnic and historical considerations were emphasized in violation of "common sense." The Poles were not in possession of the territory now known as the Corridor when the Peace Conference began its labors; the decision to award it to Poland, concurred in by some of the most competent experts at Paris, was made only after long study. The ethnic and historical arguments in favor of the decision are quite respectable. The Germans, however,

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ask why the same argument which was used to round out the territory of Czechoslovakia was not invoked to preserve the German state from division and mutilation. In reply the Poles argue that over half of Poland's foreign commerce passes through the corridor, and that Poland separated from the sea would be the economic hostage of Germany. Further, in support of the view that she would also be Germany's political hostage they cite the famous statement of Frederick the Great that, "Whoever holds the course of the Vistula and Danzig is more fully the master of that country (Poland) than the king who reigns over it"; an opinion, by the way, to which Winston Churchill's story of the campaign on the Eastern Front lends considerable support.

Now it is hard to prove conclusively either that German commerce and administration are seriously injured by the existence of the Corridor, or that if Polish commerce were merely to have the use of Danzig as a free port, with internationalized transit facilities, Poland would be the economic slave of Germany. The question therefore seems to boil down to one of security (supposing Frederick the Great and Winston Churchill to be right) and sentiment — the natural sentiment of Poles for lands which they believe to be inhabited predominantly by their countrymen and giving access to the sea, the violent feeling of Germans against what seems to them an arbitrary break in the territorial continuity of the Reich. How give both the necessary sense of security, and how assuage the sentimental injury under which Germany now smarts without inflicting a comparable injury on Poland? Above all, how do these things without risk of a new war?

Poland's present possession of "the course of the Vistula" and her domination of Danzig seem to put her in a preferred position as regards security. But when she gazes into the future she must sometimes feel like a nut caught in the jaws of a mighty German and Russian nutcracker, and she then must wish that she might come to terms with one or the other. To come permanently to terms with Soviet Russia now seems out of the question. But how is she to come to terms with Germany while the present German rage over the Corridor remains? Certainly a way out cannot be found by "open diplomacy" — by appeals to Poland to buy off Germany for the good of Europe or by threats of what will happen to her if she doesn't do so. It is fair enough to remind Poland that her credit will not be very good (even when normal financial conditions return to the world) so long as the possibility of war over

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the Corridor clouds the horizon. But reminders of this sort will have effect only if at the same moment Poland is shown some way to increase her real security and simultaneously satisfy the sentimental requirements of her people.

It would be scandalous to offer Poland another state's property in order to persuade her to give the Corridor, or part of it, to Germany. But many would applaud if she were able to negotiate an arrangement with a third party which would set her free to appreciate the advantages of German friendship and trade and remove the present constant threat that Germany will take the first likely moment to attack her. The suggestion has been made that a federal union between Poland and Lithuania might accomplish the desired result. It would have sound historic precedent (the two peoples were joined for more than four centuries, until 1795),[7] it would be of great economic advantage to Lithuania, it is capable of being given a strong sentimental appeal, and it would afford Poland access to the sea — a surer one in case of war with Germany, incidentally, than that through the Corridor, though one not so sure in case of hostilities with Russia. The combined state, add advocates of the plan, would be a factor of the first rank in European policy, and would be in far better position than is either Poland or Lithuania today to fill the difficult rôle of buffer between the Teutonic and Russian worlds.

Other observers, however, think it hardly worth while to urge the federation of Poland and Lithuania as part of a negotiation to bring about the cession of the Corridor to Germany in view of the Polish belief, fed daily by the ferocious talk of the Junker landlords of Ostelbien, that the Corridor would be merely a first morsel to whet German appetites, and that the quarrel would forthwith be transferred to a new terrain — to Upper Silesia and Poznania, probably, as next steps toward the ultimate repartitioning of the whole Polish race among its old masters. Whether or not that conviction is correct, it exists. Any realistic program must take account of it, and of the fact that Poland is today in full and legal possession of the Corridor. In other words, it must recognize that as part of any compromise Poland would have to be satisfied that she was making a final settlement, not merely a first payment; and further, that the Polish population of any area returned to Germany would have to be provided with international guarantees of protection. Only so would there be a

[7] For details see "Lithuania and Poland," by Robert H. Lord, FOREIGN AFFAIRS, Vol. I, No. 4.

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possibility of Poland's entering into direct negotiations with Germany. And no settlement except by direct negotiation should be considered or urged by anyone who desires European peace.

There remains to note one further general argument in favor of the peace settlement of 1919–20 — it is not the settlement threatened by the Central Powers in the days when they were tasting victory and planning world hegemony. In the west, the German intention was to retain Alsace-Lorraine and "rectify" the Franco-German frontier to secure economic and strategic advantages. Belgium would be quasi-independent, possibly ruled by a German princeling. How far the plan of Bethmann-Hollweg for an autonomous Polish state within the German Reich would have carried is doubtful; the history of German effort in the Eastern Marches is such that we should probably have seen a reversion to the Germanization policy of Bismarck and Bülow. Regarding what should be done in the Balkans there were two opinions. Tisza alone stood out against the annexation of Slavic districts, on the theory that this would aggravate not settle the Hapsburg nationalities problem. Against him were lined up almost all his colleagues, who wished to punish Serbia by eliminating the Karageorgevitch dynasty and swallowing up their territories — though perhaps leaving a fraction attached to Montenegro under one of King Nicholas's Austrophile sons, so that there might be some balance to future Bulgarian pretensions. The fate of Rumania was to be a land-locked state, shackled to Austria-Hungary. Bulgaria, having annexed most of Serbia, Greek Macedonia including Saloniki, and the Black Sea coast of Rumania, would be an important element in the new Mittel-Europa dividing the continent north and south and opening the way to the conquest of Asia. Such—claims for reparations, sanctions and colonies aside — was to be the *Pax Germanica*. Of course Germany and her partners had no unredeemed brethren to think about. What Germany wanted was to be left free to continue denationalizing her Poles and other Slavic citizens, the Danes of Schleswig, and the French inhabitants of Alsace-Lorraine. Even if we refrain from taking too moralizing a tone we are not precluded from gratitude that the German Monarchy's peace schemes did not materialize. And those who feel most violently about injustices under the present arrangement may perhaps temper their anger by thinking about the sort of language they would have had to use to express their feelings adequately if the other side had won.

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To sum up. 1. The Paris territorial settlements are imperfect: in a few important particulars and in many comparatively unimportant ones they show signs of the capitulation of ethnic to strategic, economic or historical considerations. 2. On the other hand, many of the alleged "atrocities" of the treaties are evidence of nothing more than the notorious fact that the hodge-podge of races in many regions makes any frontier unfair to somebody. 3. The Allies, joining idealism to expediency, encouraged subject peoples in enemy lands to plan and fight for freedom. What part the Allies had in creating the new states was mainly during the war; by the time the Peace Conference assembled, the new states were settled firmly in their saddles. 4. In general the post-war map of Europe is a marked advance, as regards racial homogeneity, over the pre-war map. 5. Those who today find themselves outside their frontiers of race or language possess a new legal basis for appealing for equal treatment, and a new forum for publishing their wrongs to the world. 6. The settlement is more in line with liberal ideals than would have been the settlement dictated by victorious Hohenzollerns and Hapsburgs.

It is argued sometimes that the only hope of European peace is to force through a sweeping change in the territorial settlement, restoring the contentment and amiability of the defeated nations by giving back to them great masses of the peoples who broke away and secured national freedom and union in 1918. If this were done, it is said, Europe would have peace. History has given us a violent lesson to the contrary. It was the continued subjugation and exploitation of these peoples, in defiance of the swelling tide of democratic and national sentiment, which as much as any other single factor produced the Great War. Are we to stake our hopes of avoiding a possible new war by returning to a situation which we know does produce war?

The hope of peace in Europe lies in less simplified formulas. There is no magician's wand to wave, no panacea to apply rapidly and with the cheerful consent of everybody concerned. The economic depression has not softened national resentments and fears; on the contrary, it has heightened them, and made it more important than ever to avoid wild talk and the conjuring up of illusions. Much time, and the display of more good sense than the statesmen of Europe or their volunteer advisers in America have yet mustered, will be needed before Europe is at peace. A general acceptance of the present territorial settlement is consistent with

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a will to adjust and improve it by direct negotiation, little by little, and in the spirit of Geneva. Such a policy of fulfilment and adjustment, with a constant strengthening of the League machinery for protecting minorities, is part of what is needed. Along with the maintenance of frontiers except as they may be changed by direct agreement should go the continued revision of the non-territorial provisions of the treaties and the gradual elimination of inequalities between states. Which is a way of saying that Europe must work in the patient spirit of Stresemann and Briand, not in the arbitrary and sweeping manner advocated by Bethlen, by Hitler and (until recently) by Borah. One of the lessons of the last decade is that persistent statesmen can gradually deal with even the most difficult disputes provided their constituents do not get the impression that they are being coerced into relinquishing parts of the national patrimony. Another lesson should be that to talk wholesale frontier revision is to arouse popular feelings everywhere to fever pitch, to kindle hopes among the vanquished that are impossible of fulfilment except as the result of some desperate gamble, and among the victors to defer the growth of the spirit of trust and conciliation.

Today London and Paris hold the keys to the outer door of the stronghold where European peace hangs between life and death. The keys work only in combination; but progress has been made recently toward agreement on that combination. Inside is another door, even more resistant and forbidding. The keys to this inner door are held by Paris and Berlin. We must not let ourselves adopt the despairing view that the way to use these keys jointly will never be found; bewildering obstacles to Franco-German collaboration have before this yielded to the realization that self-interest often lies in accepting limitations on one's own rights where they are in conflict with the rights of others. To cut short the search for the combination and to try to blast a way in would be the folly of despair, for after the explosion nothing worth thinking about would remain. Instead of encouraging so suicidal a course we must hold our breath, giving counsel quietly or refraining entirely; and instead of telling Europe what she must or must not do we should prepare to make in our turn whatever sacrifices duty and self-interest impose, the while the men on whom destiny has placed the direct responsibility try to agree to use their golden keys.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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General: Political and Legal

ANNUAIRE INTERPARLEMENTAIRE. By L. BOISSIER, B. MIRKINE-GUETZÉVICH AND J. LA FERRIÈRE. Paris: Delagrave, 1932, 800 pp. Fr. 125.

A reference book, describing the political systems and party life of sixty-nine nations.

WORLD STATES OF THE MACHINE AGE. By WOODBERN EDWIN REMINGTON. Columbus: Gilbert, 1932, 279 pp.

A survey of the forces that actuate the conduct of the Great Powers, with emphasis upon racial factors.

L'ESPRIT INTERNATIONAL DANS L'INDIVIDU, L'ÉTAT, L'ÉGLISE. By PIERRE BOUSCHARAIN. Paris: 1932, 200 pp. Fr. 12.

The author recommends education for the individual, the discarding of antiquated ideas of sovereignty for nations, and the raising of internationalism to the status of a religion. Not a profound contribution.

PRÉCIS DE DROIT DES GENS. By G. SCELLE. Paris: Sirey, 1932, 312 pp. Fr. 30.

The first part of a two-volume general treatment, by a leader of the new school of French thought which refuses to distinguish between private and public international law.

LA CONCILIATION DANS LE DROIT INTERNATIONAL ACTUEL. By C. VULCAN. Paris: Pedone, 1932, Fr. 30.

A technical review of the present status of conciliation.

WANDLUNG DES NEUTRALITÄTSBEGRIFFES. By JOACHIM HAASE. Leipzig: Noske, 1932, 209 pp. M. 7.

A scholarly monograph examining recent transformations of the idea of neutrality.

INTERNATIONAL GOVERNMENT. By CLYDE EAGLETON. New York: Ronald, 1932, 692 pp. $4.00.

A reliable introductory text, presenting the principles of international law, jurisdiction, legislation and administration, and giving a serviceable outline of the organization and working of the League.

DEVELOPMENT OF THE LEAGUE OF NATIONS IDEA. By THEODORE MARBURG. New York: Macmillan, 1932, two volumes, $8.00.

Documents and correspondence of the chairman of the Foreign Organization Committee of the League to Enforce Peace. A valuable and instructive contribution to an understanding of the background of present world organization.

THE SOCIETY OF NATIONS. By FELIX MORLEY. Washington: Brookings Institution, 1932, 700 pp. $3.50.

This is one of the noteworthy books of the quarter. The author, who for some time acted as director of the Geneva office of the League of Nations Association of the United States, devoted three years to preparing this well-documented study. He is not concerned with the accomplishments of the League, but rather with a detailed study of the origin of the organization and the way it works. More than two hundred pages are devoted to an account of the long-drawn evolution of the scheme, while the rest of the

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volume takes up in detail the organization of the Council and the Assembly, considers the changes that have occurred, the weaknesses and limitations that still exist, and the operation of the machinery in the recent Sino-Japanese dispute. The book is superior to most works on the League and is marked throughout by scientific detachment and respect for the facts.

THE DAWN OF WORLD ORDER. By Nowell Charles Smith and J. C. Maxwell Garnett. New York; Oxford University Press, 1932, 114 pp. $1.00.

An attractive little guide to the League, for use in schools.

BOYCOTTS AND PEACE. Edited by Evans Clark. New York: Harper, 1932, 401 pp. $4.00.

A book of considerable contemporary interest, being the report of a committee of business-men and scholars set up by the Twentieth Century Fund to investigate the practicability of boycotts as sanctions in international crises. The committee, under the chairmanship of Nicholas Murray Butler, examined the political, legal, military and economic aspects of the boycott and its report contains a vast amount of material and opinion. On the whole the conclusion reached was that the boycott would be effective if all the Powers joined in it, but that it would in all likelihood result in war. For that reason the committee recommended the conclusion of a new international agreement to provide adequate sanctions, without entering in detail upon the prospects or feasibility of such an agreement.

GUILT-EDGED SECURITY. By R. E. Haestier. London: Jarrolds, 1932, 191 pp. 6/.

What a peace-loving correspondent saw at a number of international conferences.

AN INTERNATIONAL AIR FORCE. By J. M. Spaight. London: Gale, 1932, 123 pp. 5/.

One of the most competent writers on international air problems once again expounds his argument for the creation of an international air force to preserve peace, admitting at the same time that little more than regional pooling of forces can be hoped for at the present time.

THE PEACE ARMY. By Henry Brinton. London: Williams, 1932, 88 pp. 2/6.

A concise presentation of the argument for a peace army.

WAR OR REVOLUTION? By Georges Valois. London: Allen, 1932, 190 pp. 6/.

A prolific French writer condemns the imperialistic economy because it is bound up with force, and envisages a revolution towards peace through economic planning.

THE CAUSES OF WAR. Edited by Arthur Porritt. New York: Macmillan, 1932, 275 pp. $1.50.

A collection of essays, well worth reading, written as parts of a report for the World Conference for International Peace through Religion. The first essay, on the economic causes, is by Sir Arthur Salter. Among other noteworthy essays may be mentioned that by C. F. Andrews on racial influences, by Sir J. Arthur Thomsen on science and war, by Alfred Zimmern on cultural causes, by Frederick J. Libby on the press and world peace, and by Wickham Steed on political causes of war. In the supplement are brief statements on raw materials, tariffs and migration, by Jacob Viner, André Siegfried and Moritz Bonn respectively.

ECONOMIC CAUSES OF WAR. By Beatrice Pitney Lamb. New York: National League of Women Voters, 1932, 85 pp. 40 cents.

A survey of population problems, international trade rivalries, financial questions, etc., for the layman, with some discussion of possible solutions.

WEHR-GEOPOLITIK. By Karl Haushofer. Berlin: Junker, 1932, 138 pp. M. 4.80.

In the old days this would have been called an introduction to military geography. Despite its new-fangled name, the book is a well-informed study of geographical, population and economic factors as they enter into problems of defense.

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SÉCURITÉ ET DÉSARMEMENT. By André Philip. Paris: Valois, 1932, 128 pp. Fr. 5.

A socialist view of the problem. The author calls for immediate reduction, with the creation of a supreme legislature and court to handle international conflicts.

DES CHAMPS DE BATAILLE AU DÉSARMEMENT. By General Ferry. Paris: Querelle, 1932, 336 pp. Fr. 15.

The reflections of a military man on the disarmament problem. It need hardly be added that he counsels caution.

LE DÉSARMEMENT MORAL. By Julien Luchaire. Paris: Valois, 1932, 187 pp. Fr. 12.

A pious hope for greater intellectual coöperation and enlightenment.

DESARME NAVAL Y SOCIEDAD DE NACIONES. By Claudio Alvargonzälez Sänchez-Barcaiztegui. Madrid: Librería Internacional, 1931, 103 pp. Pes. 2.50.

A survey of the political history of the naval disarmament problem since the peace treaties.

General: Economic

THE WORLD'S ECONOMIC CRISIS. By Sir Arthur Salter and others. New York: Century, 1932, 185 pp. $1.75.

Six lectures by British economists, including (besides Salter) Stamp, Keynes, Blackett, Clay and Beveridge, discussing from the British standpoint the dislocation of the capitalist system by the war, without saying much about possible solutions.

THE FINANCIAL AFTERMATH OF WAR. By Sir Josiah Stamp. New York: Scribner, 1932, 149 pp. $1.75.

The work of an outstanding authority, this little book serves as an excellent introduction for the layman to the problems of finance, politics and industry, particularly in their international aspects.

THE CRISIS IN THE WORLD'S MONETARY SYSTEM. By Gustav Cassel. New York: Oxford University Press, 1932, 102 pp. $1.25.

Rhodes Memorial Lectures by an eminent Swedish authority. The author discusses the interaction of war debts, reparations, gold distribution, prices and tariffs, and calls for a radical reform.

ESSAI SUR LA CRISE ÉCONOMIQUE MONDIALE. By Hervé Palud. Paris: Oeuvres Representatives, 1932, 188 pp. Fr. 12.

Away with materialism and back to moral values, is the prescription offered by this French writer.

NATIONS AND THE ECONOMIC CRISIS. By D. Graham Hutton. London: Sidgwick, 1932, 168 pp. 3/6.

Written for the layman; a concise exposition of the economic effects of the World War and an argument for world planning.

DIE WELTKRISE UND DIE NEUORDNUNG EUROPAS. By Max Sering. Berlin: Heymann, 1932, 68 pp. M. 3.

A leading writer on the reparations problem reviews such matters as the world's financial woes, the disarmament question, and economic aspects of Central European federation.

THE WAY FORWARD. By Robert S. Brookings. New York: Macmillan, 1932, 92 pp. $1.00.

A collection of essays by the chairman of the Brookings Institution, dealing chiefly with industrial problems and emphasizing and growing interdependence of nations in the economic sphere.

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L'ARGENT-MÉTAL. By Maurice Desoubry. Paris: Presses Universitaires, 1932, 288 pp. Fr. 40.

A study of the fall of exchanges between 1929 and 1931, and of its economic effects.

GOLD AND MONETARY STABILIZATION. Edited by Quincy Wright. Chicago: Chicago University Press, 1932, 184 pp. $2.00.

Harris Foundation lectures, by Viner, Haberler, Willis and others.

FINANCE AND POLITICS. By Paul Einzig. New York: Macmillan, 1932, 149 pp. $2.50.

A facile writer on international finance continues the story begun in his "Behind the Scenes of International Finance," further accusing the French Government of abuse of its strong position.

WE HAVE PAID ENOUGH. By T. G. Tucker and others. London: Simpkin, 1932, 129 pp. 2/.

The title indicates the view of war debts taken by the authors.

LE GLAS DES RÉPARATIONS. By André Pépy. Paris: Arthaud, 1932, Fr. 15.

A systematic history of the reparations problem, by a French professor.

MONNAIE ET FINANCE. By Sylvain Asch. Paris: Alcan, 1932, 134 pp. Fr. 12.

A semi-popular review of the currency problem, followed by a discussion of the rôle of the Bank for International Settlements in solving the monetary and financial problems of world economy.

LA BANQUE DES RÈGLEMENTS INTERNATIONAUX ET L'ÉCONOMIE INTERNATIONALE. By René Escaich. Paris: Sirey, 1932, 220 pp. Fr. 30.

Another study of the function of the Bank in regulating international economic problems.

International Relations of the United States

AMERICA: WORLD LEADER OR WORLD LED? By Ernest Minor Patterson. London: Sidgwick, 1932, 174 pp. 3/6.

A volume in the new "World Problems of Today" series. The author, an American economist, gives a good review of American problems and developments since the World War, and stresses the need for more planning if international crises are to be avoided.

VEREINIGTE STAATEN VON AMERIKA, VERSAILLER-VERTRAG UND VÖLKERBUND. By Martin Löffler. Berlin: Rothschild, 1932, 143 pp. M. 6. 80.

The subject of this monograph has already been dealt with in scholarly fashion by D. F. Fleming, whose "The United States and the League of Nations, 1918–1920" was noted in the last issue. Nevertheless, the present study is of considerable interest inasmuch as it indicates a growing disposition in Europe to approach American problems in a scientific spirit and to get beyond the denunciations of American policy which have been emitted wholesale in the last years. There is no indication that the author of this book has ever been in America, but he has made use of the resources of the League library and other repositories and has attempted to write a history of American policy in the crucial years from 1918 to 1920 *sine ira ac studio*. The conclusions are, on the whole, the conventional ones, but the study is well done and is worthy of all respect. Americans will hope that further work of this kind will come from across the Atlantic.

THE TRUTH ABOUT HOOVER. By Herbert Corey. Boston: Houghton, 1932, 324 pp. $2.50.

A refutation of recent calumnies, together with a good old-fashioned campaign study of the president.

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DEATH AND PROFITS. By Seymour Waldman. New York: Brewer, 1932, 156 pp. $1.50.

A reconsideration of the problem of taking the profits out of war, together with an unedifying review of the hearings of the War Policies Commission, all of which the author attended.

TOWARDS SOVIET AMERICA. By William Zebulon Foster. New York: Coward-McCann, 1932, 351 pp. $2.50.

A statement of American communist principles and program, by the leader of the party.

A BUBBLE THAT BROKE THE WORLD. By Garet Garrett. Boston: Little, Brown, 1932, 178 pp. $1.00.

A reprint of articles written for the *Saturday Evening Post*, in which the author gives a vivid popular account of how the wicked European financial interests misled and mulcted the American public.

AMERICAN MINORITY PEOPLES. By Donald Ramsey Young. New York: Harper, 1932, 636 pp. $3.50.

Analytical studies of American minorities and a reconsideration of race conflicts and the possibilities of coöperation.

THE PURCHASE OF THE DANISH WEST INDIES. By Charles Callan Tansill. Baltimore: Johns Hopkins Press, 1932, 548 pp. $3.50.

A detailed study, based in part on unpublished archive material, reviewing the whole story of the Danish West Indies as they touch American policy. A valuable contribution to our knowledge of Caribbean affairs.

AMERICA IN THE PACIFIC. By Foster Rhea Dulles. Boston: Houghton-Mifflin, 1932, 312 pp. $3.50.

This is one of the best general scholarly accounts of American policy in the Pacific, from the early days of the China trade and American activity in the Northwest, down through the Alaskan, Hawaiian, Samoan and Philippine affairs to more recent times.

The World War

DOCUMENTS DIPLOMATIQUES FRANÇAIS, 1871–1914. Series III, volume iv. Paris: Imprimerie Nationale, 1932, 668 pp.

This latest volume of the great French publication covers in minute detail the period of the first Balkan War, from October to December, 1912.

GESCHICHTE DES WELTKRIEGES. By Max Schwarte. Berlin: Etthofen, 1932, 479 pp. M. 2. 85.

One of the best popular one-volume histories of the war as seen from the German side.

HISTOIRE DE LA GUERRE. By Jean Galtier-Boissière. Paris: Le Crapouillot, 1932, Fr. 12.

The first of three volumes of an illustrated and somewhat sensational popular history.

LES CARNETS DE GALLIENI. By Gaetan Gallieni. Paris: Michel, 1932, 320 pp. Fr. 15.

The important papers of the French marshal, covering the battles of the Ourcq, the Marne, and the offensive of 1918.

GENERAL SIR JOHN MAXWELL. By Sir George Aston. London: Murray, 1932, 339 pp. 15/.

The official biography of the British commander, of special interest for the study of operations in Egypt and for the history of Ireland during the war.

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WELTKRIEG OHNE WAFFEN. By Hans Thimme. Stuttgart: Cotta, 1932, 293 pp. M. 4.50.

The author studies in some detail the allied propaganda against Germany and the efforts made to counteract it. A valuable contribution.

HISTORY OF THE GREAT WAR. MILITARY OPERATIONS. GALLIPOLI, volume II. London: Heinemann, 1932, 15/.

This is the concluding volume of the official history of the Dardanelles campaign, and covers the period from May 1915 to the evacuation of the peninsula.

THE TRAGEDY OF THE DARDANELLES. By Edmond Delage. London: Lane, 1932, 292 pp. 7/6.

The French original of this highly critical account has already been noted.

NA VOINE VOSTOCHNAIA PRUSSIA-LITVA. By A. A. Uspensky. Kaunas: Author, 1932, 228 pp.

Recollections of the war in East Prussia and Lithuania in 1914–1915.

BITVA POD KAMOROWEM. By Edward Izdebski. Warsaw: Wojskove Biurs Historyczne, 1931, 436 pp.

This analytical study of the great Austro-Russian battle in 1914 is based upon material in the Vienna War Archives.

THE NEUTRALITY OF NORWAY IN THE WORLD WAR. By Paul G. Vigness. Stanford: Stanford University Press, 1932, 188 pp.

A well-documented monograph, based in large measure on Norwegian materials; of value for the study of the blockade and the contribution of the neutral powers.

Western Europe

THE FUTURE OF EUROPE. By H. Wilson Harris. London: Sidgwick, 1932, 130 pp. 3/6.

Another volume in the excellent "World Problems of Today" series. The author discusses the broad questions of European policy in clear and often stimulating fashion.

THE DISCOVERY OF EUROPE. By Paul Cohen-Portheim. London: Duckworth, 1932, 296 pp. 10/6.

Like the author's "England, the Unknown Isle," this is a brilliant and always interesting survey of the European scene.

DIE KRISE DES NATIONALSTAATES. By Kurt Trampler. Munich: Knorr, 1932, 158 pp. M. 5.70.

A reconsideration of the nationalities problem in Europe.

VERSAILLES, A BREACH OF AGREEMENT. By B. G. de Montgomery. London: Methuen, 1932, 158 pp. 5/.

The author adds little that is new to the discussion of the Armistice and the Treaty, but the book indicates a growing tendency towards "revisionism" in England.

REVISIONE. By Sergio de Cesare. Naples: Chiurazzi, 1932, 118 pp. L. 8.

The author is a strong advocate of revision of the treaties, but stresses the need for creating the proper spirit by disposing first of questions of security and disarmament.

DANMARKS RET TIL GRØNLAND. By Knud Berlin. Copenhagen: Busck, 1932, 160 pp. Kr. 3.75.

The East Greenland conflict from the Danish viewpoint.

NORWAY IN ARCTICUM. By L. von Staël-Holstein. London: Williams, 1932, 80 pp. 6/.

A critical account of Norwegian rule and of conditions in Spitsbergen, by a Swedish writer.

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HISTOIRE DE FRANCE DEPUIS LA GUERRE. By Jean Prévost. Paris: Rieder, 1932, 350 pp. Fr. 35.

A most useful general history of French affairs since the conclusion of the war.

FRANKREICH. By Karl Schwendemann. Berlin: Zentralverlag, 1932, 179 pp. M. 5.40.

An admirable brief review of French conditions and French policy, in a useful German popular series.

THE FRENCH POLITICAL SYSTEM. By W. L. Middleton. London: Benn, 1932, 296 pp. 12/6.

A serious and competent analysis and interpretation of the French political system and political life, with due consideration to deeper-lying factors and traditions.

LA FRANCE ET LES COMPTES DE GUERRE. By Paul Lefaivre. Paris: Nouvelle Librairie Française, 1932, Fr. 12.

A French diplomat shows how France was deprived of her just due and how she has been forced to pay what she does not owe.

COMME JE LES VOIS. By Jean Piot. Paris: Sagittaire, 1932, Fr. 10.

A journalist's pen pictures of Herriot, Poincaré, Caillaux, Painlevé, Blum, etc.

SOUVENIRS PARLÉS DE BRIAND. By Raymond Escholier. Paris: Hachette, 1932, Fr. 12.

The confidences of Briand on foreign and domestic affairs, as noted by his secretary. An important book, to be read with Stresemann's papers.

ARISTIDE BRIAND. By J. S. de Givet. Paris: Nouvelle Librairie Française, 1932, 163 pp. Fr. 10.

A violent indictment: Briand the friend of Germany and a traitor to France.

FRANCE AND GERMANY. By W. G. Moore. London: S.C.M., 1932, 154 pp. 2/6.

A study of national character and opinion, with special reference to the Franco-German problem since 1871.

HISTOIRE D'ESPAGNE. By Louis Bertrand. Paris: Fayard, 1932, Fr. 16.50.

A serviceable survey of Spanish history, with special reference to the recent period.

ORÍGINES DE LA REVOLUCIÓN ESPAÑOLA. By Juan Tusquets. Barcelona: Vilamala, 1932, 215 pp. Pes. 4.

One of the best studies, thus far, of the recent evolution of the Spanish situation.

LA REVOLUCIÓN ESPAÑOLA. By Joaquin Maurin. Madrid: Cenit, 1932, 196 pp. Pes. 5.

The revolution as a stage in the nation's progress from absolute monarchy to the social overturn.

NICETO ALCALÁ-ZAMORA. By Eduardo M. del Portillo and Carlos Primelles. Madrid: Biblioteca Nueva, 1932, 200 pp. Pes. 5.

An intimate biography of the Spanish President.

LA CONSTITUCIÓN ESPAÑOLA. By Nicolás Pérez Serrano. Madrid: Rivista del Derecho, 1932, 350 pp. Pes. 12.

The best general treatment of the antecedents, text and terms of the new Republican constitution.

ESTABILIZACIÓN. By Julio Zarraluqui Martínez. Madrid: Morata, 1932, 438 pp. Pes. 12.

A competent discussion of the monetary and financial problems confronting the new régime.

CATALUÑA Y LA REVOLUCIÓN. By Jaimo Aiguader. Madrid: Zeus, 1932, 164 pp. Pes. 4.

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A collection of essays, bearing mostly on the troublesome problem of Catalonia's status in the new republic.

MODERN ITALY. By Cicely Hamilton. London: Dent, 1932, 229 pp. 7/6.

A well-informed evaluation, sympathetic but sane, of Fascist accomplishment during the past ten years.

DROIT CONTITUTIONNEL ITALIEN. By P. Chimienti. Paris: Giard, 1932, 647 pp. Fr. 65.

Written by an Italian senator; one of the best and most authoritative treatments of the Italian political organization and its working.

THEORIE UND PRAXIS DES FASCHISTISCH-KORPORATIVEN STAATES. By Fritz Ermarth. Heidelberg: Winter, 1932, 126 pp. M. 6.

A theoretical study of the corporative state, with special reference to its working in Italy.

ITALIAN FOREIGN POLICY. By Muriel Currey. London: Nicholson, 1932, 348 pp. 18/.

Many people have been puzzled by Mussolini's utterances on foreign affairs and have had some difficulty in reconciling the word and the action. Recently one of the Duce's ablest opponents, Professor Salvemini, has written a devastating criticism of Italian policy in the last ten years. The present writer, while she does not, like Salvemini, quote chapter and verse, has made the attempt to recount and analyze and explain what the Fascist régime has tried to do and what it has accomplished in international affairs. Her main source has been the speeches of the Premier himself, and the book as a whole may be taken as a Fascist version. It meets a need long felt by students of international relations.

CORSO DI DIRITTO COLONIALE. By H. Borsi. Padua: Cedam, 1932, 315 pp. L. 35.

The history and organization of the Italian colonies, with some discussion of colonial policy and the existing law.

IL PROBLEMA DELL'ESPANSIONE ITALIANA ED IL LEVANTE ISLAMICO. By Santi Nava. Padua: Cedam, 1932, 254 pp. L. 30.

After discussing Italy's need for colonies and the treatment meted out to Italy at the Peace Conference, the author reviews the possibilities of activity in the Near East, with special reference to economic enterprise.

PIUS XI. By Denis Gwynn. London: Holme, 1932, 196 pp. 5/.

A popular biographical study of the present Pope, by a well-known Irish writer.

ORDINAMENTO GIURIDICO DELLO STATO DELLA CITTÀ DEL VATICANO. By F. Cammeo. Florence: Bemporad, 1932, 479 pp. L. 55.

A fundamental analysis of the governmental system and status of the Papal possessions.

DIE SCHWEIZ UND DER IMPERIALISMUS. By Richard Behrendt. Zürich: Rascher, 1932, 162 pp. M. 4.

A study of the economic and financial position of Switzerland.

LA SUISSE, CENTRE FINANCIER EUROPÉEN. By Bernard Worner. Paris: Chauny, 1932, 176 pp. Fr. 30.

Covers much the same ground as the preceding.

DIE LETZTEN JAHRZEHNTE EINER GROSSMACHT. By Rudolf Sieghart. Berlin: Ullstein, 1932, M. 10.

The author was for many years chief secretary to the Austrian prime ministers, and before the war was head of the Bodenkreditanstalt. One of the most important volumes of memoirs of the old Hapsburg Empire that has yet appeared.

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MITROPA. By Jacques Chabannes. Paris: Valois, 1932, Fr. 15.
An *enquête* into conditions in the Danubian area, written with the usual French flair.

AUSTRIA OF TODAY. By Victor Wallace Germains. London: Macmillan, 1932, 294 pp. 12/6.
A systematic review of developments from 1918 to 1930, and a most useful guide for the student of Central European affairs.

DIE SUDETENDEUTSCHE FREIHEITSBEWEGUNG IN DEN JAHREN 1918–1919. By Paul Molisch. Vienna: Braumüller, 1932, 191 pp. M. 6.
A dispassionate and well-informed account of the German movement in Bohemia at the close of the war.

ENTFESSELUNG DER UNTERWELT. By Adolf Ehrt and Julius Schweickert. Berlin: Eckart, 1932, 320 pp. M. 8.50.
A detailed account of Bolshevik activity and organization in Germany.

DER BEGINN DER BARBAREI IN DEUTSCHLAND. By B. von Brentano. Berlin: Rowohlt, 1932, 218 pp. M. 4.80.
The political and social situation as viewed by one who is anxiously waiting for the social revolution.

EL NACIONAL-SOCIALISMO ALEMÁN. By Raúl Maestri. Madrid: Biblioteca Nueva, 1932, 178 pp. Pes. 4.
One of the ablest and most penetrating appreciations of the forces and personalities behind the Hitler movement.

AUS EINEM DIPLOMATISCHEN WANDERLEBEN. By Friedrich Rosen. Berlin: Transmare, 1932, 279 pp. M. 13.50.
The second volume of the interesting memoirs of the German diplomat. This volume is of special interest for the account of Rumania's policy before the war, and the Anglo-German negotiations with respect to the Portuguese colonies.

GENERÄLE DER DEUTSCHEN REPUBLIK. By Heinz Brauweiler. Berlin: Tell, 1932, 75 pp. M. 2.40.
Studies of Groener, Schleicher and Seeckt, and at the same time an illuminating discussion of the military influence in German politics.

HINDENBURG. By Horst von Metzsch. ADOLF HITLER. By Johann von Leers. HUGENBERG. By Otto Kriegk. THÄLMANN. By Peter Maslowski. Leipzig: Kittler, 1932, M. 1.50 each.
Brief but well-informed biographical studies of German political leaders, from the extreme Right to the furthest Left.

HITLER. By Robert Tourly and G. Lvovsky. Paris: Édition du Siècle, 1932, Fr. 12.
A full-length biography.

DIE MÄNNER UM HITLER. By Edgar von Schmidt-Pauli. Berlin: Verlag für Kulturpolitik, 1932, 189 pp. M. 4.50.
The author, a well-known writer of Centrist persuasion, passes in review all the important henchmen of the Nazi hero.

DEUTSCHLANDS RECHT ZUR EINSTELLUNG DER REPARATIONEN. By Friedrich Raab. Dresden: Ehlermann, 1932, 107 pp. M. 2.60.
A prominent writer on reparations demonstrates that the Young Plan does not oblige Germany to pay reparations. He also adduces much statistical matter regarding the payments Germany has made.

DEUTSCHLAND IM WELTPOLITISCHEN GESCHEHEN. By Otto Leibrock. Leipzig: Wissenschaftliche Buchhandlung, 1932, 436 pp. M. 10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chiefly a study of world economic problems as they touch Germany. A first-rate book, by an economic expert.

WIR UND FRANKREICH. By Erich Czech-Jochberg. Oldenburg: Stalling, 1932, 216 pp. M. 3.50.

A review of Franco-German relations since 1793. The author is convinced that only an agreement will bring salvation, but before this is possible France must give up her ideas of hegemony.

ALLEMAGNE ET POLOGNE. By Gaston Raphaël. Paris: Delagrave, 1932, 138 pp. Fr. 10.

Based on German and Polish material. One of the best-informed and most objective studies yet made of the Corridor and the German-Polish problem.

THE RUSSIAN FACE OF GERMANY. By Cecil F. Melville. London: Wishart, 1932, 230 pp. 6/.

A sensational revelation of German connections with Russia and the secret manufacture of material for the great day of reckoning with Poland and her backers.

Eastern Europe

HEIRS TO THE HABSBURGS. By G. E. R. Gedye. London: Arrowsmith, 1932, 310 pp. 12/6.

An English correspondent's pessimistic views of conditions and prospects in the Danube Basin. Very critical of French policy.

LITTLE MISSIONS. By Septimus Despencer. New York: Longmans, 1932, 215 pp. $2.00.

Entertaining and informing studies of events in the Succession States in the days of the Peace Conference, by a British officer sent out on special missions.

SOUČASNÁ FILOSOFIE U SLOVANŮ. Edited by Miloš Weingart. Prague: Slovanský Ústav, 1932, 173 pp. Kč. 30.

A series of lectures on the problems of the Slav nations, delivered under the auspices of the Slavonic Institute at Prague.

LE PROCÈS DE LA HONGRIE. By Baron J. de Szilassy. Paris: Alcan, 1932, 261 pp. Fr. 15.

A former Austro-Hungarian diplomat reviews the question of Hungary's responsibility for the war, discusses the nationalities question, and recounts what he considers the great injustice done in 1919.

A MAGYAR CAPITOLIUMON. By Alexander Pethö. Budapest: Gellert, 1932, 87 pp.

One of the leading Hungarian journalists pleads for a restoration of the monarchy as the first step towards a customs union with Austria.

ČESKOSLOVENSKÄ AMERIKA V ODBOJI. By Vojta Beneš. Prague: Pokrok, 1931, 425 pp. Kč. 49.

An important book. The author was the leading organizer of the Czech movement in the United States during the war, and his recollections form an essential supplement to the memoirs of Eduard Beneš and Masaryk.

POLITICKÁ PŘÍRUĆKA ČSR. By E. Capek. Prague: Melantrich, 1931, 206 pp. Kč. 25.

A sociological interpretation of the Czech political situation.

POKÓJ RYSKI. By J. Dabski. Warsaw: 1931, 214 pp.

Recollections and documents bearing on the negotiation of the Peace of Riga between Poland and Russia

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L'ESTONIE. By Louis Villecourt. Paris: Rieder, 1932, 128 pp. Fr. 18.

An historical and descriptive survey, written by a French professor at the University of Tartu.

ETT HALOT AR SOM FINLANDS FÖRSTA UTRIKESMINISTER. By O. Steuroth. Helsingfors: 1931, 243 pp.

Reminiscences of the former Finnish foreign minister, covering the stormy period of the establishment of the state.

THE COST OF THE WAR TO RUSSIA. By Stanislas Kohn and Alexander Feliksovich Meyendorff. New Haven: Yale University Press, 1932, 234 pp. $3.25.

An excellent volume in the Carnegie "Economic and Social History of the World War." The authors take up the social cost as well as the cost in lives.

LENIN. By James Maxton. London: Davies, 1932, 184 pp. 5/.

A readable and reliable study of Lenin in the setting of Bolshevik party history, written by an English communist M.P.

LE BONHOMME LENINE. By Curzio Malaparte. Paris: Grasset, 1932, Fr. 15.

The well-known writer on the technique of the *coup d'état* raises the question whether Lenin was an accomplished technician or a mere opportunist.

BOLSHEVISM: THEORY AND PRACTICE. By Waldemar Gurian. New York: Macmillan, 1932, 412 pp. $3.00.

The English translation of one of the very best books on the subject.

SOWJETUNION UND VÖLKERRECHT. By Karl Mannzen. Berlin: Stilke, 1932, 110 pp. M. 4.80.

Really a technical and well-documented study of the question of debts, propaganda and the monopoly of commerce.

DIE FINANZEN UND DIE WÄHRUNG DER SOWJETUNION. By H. Nagler. Berlin: Rowohlt, 1932, 153 pp. M. 3.50.

A sympathetic discussion of Soviet financial policy.

HISTOIRE DE LA MARINE RUSSE. By N. Monasterev and Serge Terestchenko. Paris: Payot, 1932, 352 pp. Fr. 30.

The only systematic, competent study of the history of Russian sea power.

NEW RUSSIA. By Anatole de Monzie. London: Allen, 1932, 374 pp. 12/6.

The French original of this encylcopedic work has already been listed.

SOVIET RUSSIA AND THE WORLD. By Maurice Dobb. London: Sidgwick, 1932, 178 pp. 3/6.

A volume in the "World Problems of Today" series. The book is chiefly an enthusiastic account of the Five Year Plan.

SEVEN YEARS IN SOVIET RUSSIA. By Paul Scheffer. New York: Macmillan, 1932, 373 pp. $3.00.

The English translation of the excellent reports of the former correspondent of the *Berliner Tageblatt* in Moscow. Easily one of the best books on Russia under the Soviet régime.

DAWN IN RUSSIA. By Waldo Frank. New York: Scribner, 1932, 272 pp. $2.25.

The travel impressions of a well-known writer, followed by an appreciation of the Bolshevik accomplishment. A courageous and interesting volume.

A SCIENTIST AMONG THE SOVIETS. By Julian Huxley. New York: Harper, 1932, 119 pp. $1.50.

Impressions of a well-known British biologist.

THE RUSSIAN EMERGES. By Nicholas Ignatieff. New York: Macmillan, 1932, 112 pp. $1.00.

An appraisal of the Bolshevik experiment by a Russian emigré.

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MACHINES AND MEN IN RUSSIA. By Louis Fischer. New York: Harrison Smith, 1932, 298 pp. $2.50.

A writer with good connections in Moscow gives an interesting and sympathetic picture of Russia under the Five Year Plan.

RUSSIA, MARKET OR MENACE. By Thomas D. Campbell. London: Longmans, 1932, 160 pp. 7/6.

An American agricultural expert gives a very favorable report of progress under the Plan and foresees a great market in the future Russia.

RUSSIA'S DECISIVE YEAR. By Ellery Walter. New York: Putnam, 1932, 282 pp.

A disillusioned communist reports tyranny and failure in Russia, after a six months' visit.

SOVĚTSKÉ RUSKO NA NOVÉ DRÁZE. By Zdeněk Fierlinger. Prague: Ústřední Délnické, 1932, 195 pp. Kč. 18.

One of the best Czech books about Soviet Russia.

RUSSIA 1932. By R. Mosca. Milan: Agnelli, 1932, 257 pp. L. 12.

The possibilities of a second Five Year Plan.

CONTEMPORARY ROUMANIA AND HER PROBLEMS. By Joseph Slabey Roucek. Stanford: Stanford University Press, 1932, 447 pp. $4.00.

This book is probably the best general work now available in English on Rumanian conditions and problems. Enough has been written on the dramatic side of recent Rumanian developments. Here the reader will find a sympathetic, but at the same time dispassionate examination of the realities of Rumanian life. A brief outline of the country's history is followed by detailed studies of political organization and policies, with special treatment of the minorities question. A goodly part of the book is devoted to an extended examination of Rumanian economic resources and economic life, and the book concludes with a detailed bibliography.

ESSAI D'ÉCONOMIE ROUMAINE MODERNE. By N. Razmiritza. Paris: Librairie Générale de Droit, 1932, Fr. 40.

A scholarly survey of Rumanian economic development during the last century.

L'AVVENIRE DELL'ALBANIA. By Filippo Tajani. Milan: Hoepli, 1932, 198 pp. L. 30.

An analysis of Albania's economic resources, the difficulties in the way of exploitation, the extent of Italian aid, and kindred matters.

LA BULGARIE DE 1912 À 1930. By H. Prost. Paris: Roger, 1932, Fr. 15.

A purely economic study of the results of the wars as they touched Bulgaria.

The British Commonwealth of Nations

POLITICIANS AND THE WAR, 1914–1916. By Lord Beaverbrook. London: Lane, 1932, 349 pp. 7/6.

The second volume of Beaverbrook's memoirs is of prime importance for information about the formation of the Lloyd George government, in which the writer took an active part.

THE LIFE OF JOHN REDMOND. By Denis Gwynn. London: Harrap, 1932, 611 pp. 25/.

The authoritative biography of the Irish parliamentary leader, based upon his papers.

THE STRANGE CASE OF ANDREW BONAR LAW. By H. A. Taylor. London: Paul, 1932, 284 pp. 18/.

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Despite the sensational title, this is a reliable account of the British statesman's career and a fair appreciation of his character.

ENGLAND MUDDLES THROUGH. By Harold E. Scarborough. London: Macmillan, 1932, 273 pp. 7/6.

A sound survey of British developments since the war in their larger aspects, by the competent London correspondent of the *New York Herald-Tribune*.

A PLAN OF ACTION. London: Faber, 1932, 15/.

A series of valuable reports on tariffs, imperial preference, the colonial empire, and empire monetary problems, drawn up by the Federation of British Industries, the Empire Economic Union, the Central Chamber of Agriculture, etc., with an introduction by the moving spirit, L. S. Amery.

JOHN BULL OCH CO. By Gösta Langenfelt. Stockholm: Wahlström, 1932, Kr. 7.50.

A sympathetic interpretation of the English and Irish scene.

PATRIOT MACDONALD. By Karl Silex. Hamburg: Hanseatische Verlagsanstalt, 1932, 244 pp. M. 4.80.

An appreciative study of MacDonald, by the London correspondent of the *Deutsche Allgemeine Zeitung*.

THE TRAGEDY OF THE POUND. By Paul Einzig. London: Kegan Paul, 1932, 203 pp. 7/6.

Like the author's other books, a well-written if somewhat simplified account of financial developments, how the gold standard was abandoned and what this step has meant.

THE EMPIRE AND THE ARMY. By Sir John Fortescue. London: Cassell, 1932, 372 pp. 4/6.

A study of imperial defense by a British military historian.

THE BRITISH WAY IN WARFARE. By Liddell Hart. London: Faber, 1932, 311 pp. 12/6.

Essays and lectures, in which a well-known and prolific military writer argues that England should not, as she did in the World War, give up her traditional policy of mobility and surprise, which are necessitated by her peculiar position.

THE REAL NAVY. By J. M. Kenworthy. London: Hutchinson, 1932, 288 pp. 12/6.

A not very impressive piece of work, outlining British naval history and describing conditions and problems in the present-day navy.

IRELAND, DUPE OR HEROINE. By the Earl of Midleton. London: Heinemann, 1932, 175 pp. 7/6.

A stimulating account of the evolution of the Irish problem since the time of Cromwell, with special reference to the Balfour régime and the background of the Treaty of 1921; written by a Southern loyalist.

THE NATIONAL IDEAL. By Joseph Hanly. London: Sands, 1932, 275 pp. 10/6.

A member of the Irish Department of Education analyzes Irish nationalism, its connection with religion, language, race, etc.

CANADA. By Alexander Brady. New York: Scribner, 1932, 381 pp. $5.00.

The latest volume in the "Modern World" series. A good historical, economic and social study.

SOUTH AFRICAN MEMORIES. By Sir Percy Fitzpatrick. London: Cassell, 1932, 320 pp. 21/.

Brilliantly written reminiscences of South African politics, since the time of Rhodes, by one who was closely connected with them.

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FORTY YEARS IN AFRICA. By Tudor G. Trevor. London: Hurst, 1932, 279 pp. 12/6.

Interesting South African memoirs, important especially for the World War period and the campaign in Southwest Africa.

THE ENGLISH IN INDIA. By Sir John Arthur Ransome Marriott. New York: Oxford University Press, 1932, 332 pp. $3.75.

The work of a leading English historian. The book gives a general outline of the history of the British in India, analyzes problems of government, education and defense, and considers in detail the situation that has developed since the war.

THE INDIA ROUND TABLE CONFERENCE AND AFTER. By D. Madhava Rao. London: Heath Cranton, 1932, 94 pp. 2/6.

Sharp and able criticism of British policy since 1929, by the Hindu correspondent of the *Morning Post*.

INDIEN OG DEN INDISKE FRIHEDSKAMP. By Peter P. Rohde. Copenhagen: Koppel, 1932, 335 pp. Kr. 6.50.

A survey of cultural, national, political and economic aspects of the Indian situation, together with a rather severe criticism of British policy.

INDIA, A FOREIGN VIEW. By André Philip. London: Sidgwick, 1932, 270 pp. 10/6.

A French economist of radical persuasion has nothing good to say of the British and looks for salvation through the further industrialization of India.

DANGER IN INDIA. By Geoffrey Tyson. London: Murray, 1932, 133 pp. 3/6.

The author, a merchant in India, considers the trade dangers involved in Swaraj and discusses methods of meeting them.

THAT STRANGE LITTLE BROWN MAN GANDHI. By Frederick B. Fisher. New York: Long, 1932, 247 pp. $2.50.

An intimate study by a man who has known the Indian leader for fifteen years.

THE INDIAN PEASANT UPROOTED. By Margaret Read. London: Longmans, 1932, 256 pp. 6/.

A convenient digest of the evidence, conclusions and suggestions of the Whitley Commission on Indian Labor.

GROWTH OF TRADE AND INDUSTRY IN MODERN INDIA. By C. N. Vakil and others. New York: Longmans, 1932, 410 pp. $5.00.

An introductory survey by a group of competent Indian scholars.

The Near East

NATIONALISM AND IMPERIALISM IN THE HITHER EAST. By Hans Kohn. New York: Harcourt, 1932, 347 pp. $5.00.

We have already noted the German edition of this excellent history of developments in Egypt, Palestine, Syria, Iraq and Arabia in the years 1914 to 1931.

I MOVIMENTI NAZIONALISTICI NEL MONDO MUSULMANO. By E. Ghersi. Padua: Cedam, 1932, 336 pp. L. 45.

Another scholarly study of the astonishing nationalistic wave that has swept the Near East.

PALÄSTINA. By Alfred Bonne. Leipzig: Deutsche Wissenschaftliche Buchhandlung, 1932, 287 pp. M. 14.

Written by the head of the economic archives at the Hebrew University, this is probably the best account from the Jewish side of the economic changes that have taken place since the war and the problems to which they have given rise.

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KEMALIST TURKEY AND THE MIDDLE EAST. By K. Krüger. London: Allen, 1932, 223 pp. 7/6.

A very sympathetic study of the new Turkey, with stress on economic problems and social conditions.

ANGORA E KEMAL PASCIA. By P. Di Roccalta. Rome: A.R.E., 1932, 234 pp. L. 12.

A competent survey of the political and economic problems of the new Turkey.

GOVERNMENT OF EL 'IRAQ. By Sir Ernest Dowson. London: Iraqi Legation, 1932, 78 pp. 4/6.

A concise treatment, with special reference to land tenure and related problems.

PERSIEN. By Fritz Hesse. Berlin: Zentral-Verlag, 1932, 92 pp. M. 3.

A volume in the excellent "Weltpolitische Bücherei." A semi-popular survey of history, culture, politics and economic conditions.

Africa

AFRIKA: SCHWARZ ODER WEISS? By Arthur Berger. Berlin: Deutsche Buch-Gemeinschaft, 1932, 403 pp. M. 4.70.

Really a series of studies in the history of European exploration and colonization.

MARRUECOS. By General Goded. Madrid: Compania Ibero-Americana, 1932, 460 pp. Pes. 20.

A history of the pacification of Spanish Morocco, by one of the officers commanding during the campaign.

CRONACHE ETIOPICHE. By Corrado Zoli. Rome: Sindacato Artigrafiche, 1931, 416 pp. L. 30.

A first-rate review of Abyssinian history, followed by a detailed treatment of contemporary conditions and problems.

EL SAHARA OCCIDENTAL. By José Guillermo de Sánchez. Madrid: Hernando, 1932, 200 pp. Pes. 3.50.

A general descriptive work on the Rio de Oro colony.

The Far East

THE TINDER BOX OF ASIA. By George E. Sokolsky. New York: Doubleday, 1932, 376 pp. $2.50.

The author knows China from long residence there and activity in close touch with Chinese official circles. This does not prevent him from sharply criticizing Chinese leaders where he thinks criticism is needed, or from giving full credit to the Japanese and the Russian positions. The present book centers on the Manchurian conflict and supplies a concise statement not only of Japanese interests in the country, but of Russian and American stakes there — as well as a good narrative of recent events. The closing chapter gives an account of the communist movement in China. The book contains also a useful working bibliography.

ASIATIC ASIA. By S. K. Datta. London: Faber, 1932, 7/6.

An honest and on the whole well-informed analysis of the Asiatic unrest, written by an Indian Christian.

BUSINESS AND POLITICS IN THE FAR EAST. By Edith Ellen Ware. New Haven: Yale University Press, 1932, 250 pp. $3.00.

This volume in the Carnegie Endowment Series can be recommended as a scholarly study of certain fundamental factors in the problems of China, Japan and Manchuria.

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OT URALA DO KHARBINA. By G. V. Enborissov. Shanghai: 1932, 168 pp.
Recollections of the World War period in Siberia.

THROUGH CENTRAL ASIA. By P. S. Nazaroff. London: Blackwood, 1932, 332 pp. 7/6.
Two years of thrilling adventure in Central Asia by a fugitive of the counter-revolutionary forces. Entertaining and instructive.

THE LAND OF TIMUR. By A. Polovtsoff. London: Methuen, 1932, 222 pp. 10/6.
Recollections of travel in Russian Turkestan.

THE CAPITAL QUESTION OF CHINA. By Lionel Curtis. New York: Macmillan, 1932, 341 pp. $3.00.
This book sets forth the considered views of a prominent member of the *Round Table* group regarding the Far Eastern problem. The most important part is the second, in which he discusses the possibility of better representation in China and methods for bringing home to the British public the urgency of understanding Far Eastern questions.

ECONOMIC RIVALRIES IN CHINA. By Grover Clark. New Haven: Yale University Press, 1932, 132 pp. $2.00.
Another volume in the Carnegie Endowment Series. The book gives a clear account of the shifts and changes in Chinese economic life brought about by nationalist trends, and stresses the need for revamping ideas about China if healthy trade relations are to be continued.

CHINA TODAY: ECONOMIC. By J. B. Condliffe. Boston: World Peace Foundation, 1932, 214 pp. $2.50.
A documented study of Chinese agriculture, industry, finance and trade, with illuminating discussion of some of the problems now pressing for solution.

FRAN ASIENS OROSHÄRDER. By Rutger Essén. Stockholm: Bonniers, 1932, 215 pp. Kr. 10.
Travels in India and China, with instructive discussion of the rôle of Europeans in the solution of current problems.

À TRAVERS LA CHINE ACTUELLE. By Jean Rodes. Paris: Fasquelle, 1932, Fr. 12.
The latest volume by one of the best-known and most competent French writers on China.

CHINA. By Marc Chadourne. New York: Covici-Friede, 1932, 308 pp. $3.00.
Chinese life and conditions in a series of sketches and clever epigrams.

WHAT'S WRONG WITH CHINA. By Rodney Yonkers Gilbert. New York: Stokes, 1932, 315 pp. $3.00.
An analysis of China's attitude in international affairs as conditioned by national character, environment and traditions.

LES FINANCES DE L'EMPIRE JAPONAIS ET LEUR ÉVOLUTION. By André Andréadès. Paris: Alcan, 1932, 203 pp. Fr. 15.
A serious and documented account of Japanese finances from 1868 to the present, written by an expert in the field of government finance.

WIEDERGEBURT DER MANDSCHUREI. By Noboru Yumoto. Leipzig: Heublein, 1932, 91 pp. M. 2.
A brief review of Manchuria's relations to China and Japan, from the Japanese viewpoint.

THE CHINESE-JAPANESE PUZZLE. By Neville Whymant. London: Gollancz, 1932, 159 pp. 2/6.
A critical study of the history of Sino-Japanese relations, with an analysis of the present crisis.

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QUE VEUT LE JAPON? QUE VEUT LA CHINE? By J. C. Balet. Paris: Éditions du Temps Present, 1932, 189 pp. Fr. 8.

A strongly pro-Japanese account of the origins of the recent dispute.

FAUDRA-T-IL ÉVACUER L'INDOCHINE? By Jean Dorsenne. Paris: Nouvelle Société d'Edition, 1932, Fr. 12.

A disquieting report on conditions in Indo-China, with some severe criticism of government policy.

JAVA, SUMATRA, BALI. By Theodor Metz. Leipzig: Wissenschaftliche Buchhandlung, 1932, 78 pp. M. 4.80.

An excellent first-hand study of the Dutch administration in the East Indies.

PROBLEMS OF THE PACIFIC, 1931. Edited by Bruno Lasker and W. L. Holland. Chicago: Chicago University Press, 1932, 559 pp. $5.00.

The latest annual survey of Pacific affairs, being the report of the fourth Conference of the Institute of Pacific Relations, held at Hangchow and Shanghai in the autumn of 1931.

L'OCEANO DI QUATTRO CONTINENTI. By F. Bertonelli. Florence: Bemporad, 1932, 274 pp. L. 12.

A review of the political and strategic problems of the Indian Ocean.

Latin America

THE COMING OF SOUTH AMERICA. By Henry Kittredge Norton. New York: Day, 1932, 300 pp. $3.50.

An account of a year's travel in South America, written by a well-known American publicist. A competent introduction to the study of conditions in the Latin American countries.

GLANZ UND ELEND SÜD-AMERIKAS. By Kasimir Edschmid. Frankfurt: Societätsverlag, 1931, 480 pp.

A keen and penetrating study more particularly of social unrest in Latin America on the eve of the recent revolutions.

MESSICO. By E. Cecchi. Milan: Treves, 1932, 156 pp. L. 15.

A general descriptive work.

UN PUEBLO EN MARCHA. By José Rodríguez Cerna. Madrid: Compañía General de Artes, 1931, 250 pp.

Guatemala, its geography, history, economic life and artistic activity.

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SOURCE MATERIAL

By Denys P. Myers

PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington, D. C. *Great Britain:* British Library of Information, 270 Madison Ave., New York. *France:* Gerda M. Anderson, 12 Ave. Ernest Reyer, Paris XIVe. *League of Nations, Int. Labor Office, Perm. Court of Int. Justice* and *International Institute of Agriculture:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted. Since 1928 a list of national Government documents has been printed in the *Monthly List of Books Catalogued in the Library of the League of Nations.*

ADJUDICATIONS

BEFORE THE MIXED Claims Commission United States and Germany Organized Under the Agreement of August 10, 1922, Between the United States and Germany. The United States of America on Behalf of Lehigh Valley Railroad Company; Agency of Canadian Car and Foundry Company, Limited; American Underwriters, et al., vs. Germany. Oral Arguments. The Hague, Holland, September 18–30, 1930. Washington, 1932. 507 p. 23¼ cm.

FINAL REPORT to International Joint Commission relating to Official Reference re Levels of Rainy Lake and Other Upper Waters. Chapters II, X and XI. Ottawa, 1932. 48 p. 23½ cm.

"I'M ALONE" Case. Diplomatic Correspondence between the Governments of the United States and Canada Concerning the Sinking of the "I'm Alone," together with an Opinion of Attorney General William D. Mitchell and the Conventions of January 23 and June 6, 1924, for the Prevention of Smuggling of Intoxicating Liquors. Washington, 1931. 47 p. 23¼ cm. (Publications of the Department of State, No. 210, Arbitration Series No. 2 (1).) 10 cents.

11TH ANNUAL Report of the Controller of the Clearing Office. The Administrator of German, Austrian, Hungarian and Bulgarian Property and the Director of the Russian Claims Department. London, 1932. 29 p. 24½ cm. 6d.

AGRICULTURE

INTERNATIONAL Institute of Agriculture at Rome, Italy. Message from the President of the United States transmitting a Report from the Secretary of State relative to the enactment of legislation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy. Washington, 1932. 7 p. 23¼ cm. (Sen. Doc. No. 130, 72d Cong., 1st sess.)

A statement of the circumstances leading to withdrawal from active participation in the work of the Institute, the need for reëntry and the requirements with respect to the annual contribution.

ARMAMENT REDUCTION

[The *Journal* of the Conference and the *Verbatim Records* previously noted continued until the adjournment on July 23.]

CONFERENCE for the Reduction and Limitation of Armaments. Coördination of the Draft Convention and of the Propositions referred to the General Commission on the Resumption of its Work. Report of the Bureau adopted by the General Commission on April 18, 1932. Geneva, 1932. 8 p. 33 cm. (League of Nations, Conf. D. 118. 1932. IX. 44.)

———. AIR Commission. Objective Study on the Internationalization of Civil Aviation and on any other measure calculated to prevent the signatory states from utilizing civil aviation for military purposes. Prepared in Execution of the Decision taken by the Air Commission on March 17, 1932. Geneva, 1932. 53 p. 33 cm. (League of Nations, Conf. D./C. A. 9. 1932. IX. 43.)

———. AIR Commission. Collection of Replies to the Questionnaires concerning the Organization of National Civilian Forces (Document Conf. D./C. A. 6 — March 18, 1932) (Document Conf. D./C. A. 7 — March 22, 1932). Geneva, 1932. 104 p. 33 cm. (League of Nations, Conf. D./C. A. 8. 1932. IX. 31.)

———. AIR Commission. Report to the General Commission Called for by that Commission's Resolution dated April 22, 1932 (Document Conf. D./C. G. 28 (2)). Geneva, 1932. 14 p. 33 cm. (League of Nations, Conf. D. 123. 1932. IX. 48.)

———. CHEMICAL and Bacteriological Weapons Special Committee. Report to the General Commission provided for under that Commission's Resolution of April 22nd and its Decision of May 10, 1932 (Documents Conf. D./C. G. 28 (2) and Conf. D./C. G./P. V. 18). Geneva, 1932. 6 p. 33 cm. (League of Nations, Conf. D. 120. 1932. IX. 46.)

———. LAND Commission. Report to the General Commission under the Terms of that Commission's Resolution of April 22, 1932. (Document Conf. D./C. G. 28 (2)). Geneva, 1932. 18 p. 33 cm. (League of Nations, Conf. D. 122. 1932. IX. 47.)

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sion's Resolution dated April 22, 1932 (Document Conf. D./C. G. 28 (2)). Geneva, 1932. 12 p. 33 cm. (League of Nations, Conf. D. 121. 1932. IX. 45.)

HOOVER PROPOSAL

———. GENERAL Commission. Declaration by Mr. Gibson (United States of America) at the Meeting of June 22, 1932. Geneva, 1932. 3 p. 33 cm. (League of Nations, Conf. D. 126. 1932. IX. 49.)

DECLARATION of British Disarmament Policy. London, 1932. 8 p. 24½ cm. (Miscellaneous No. 6 (1932) Cmd. 4122.) 2d.

STATEMENT of Views of His Majesty's Government in the United Kingdom regarding the Proposals contained in President Hoover's Declaration (Document Conf. D. 126). Communicated by the United Kingdom delegation. Geneva, 1932. 4 p. 33 cm. (League of Nations, Conf. D. 133. 1932. IX. 5.)

TRADE IN ARMS

AMMUNITION. 15th census of United States (1930): Manufactures, 1929, industry series, ammunition and related products, explosives, firearms, fireworks. Washington, 1932. iv, 12 p. 5 cents.

MUNITIONS. Agreement renouncing sale or export of arms, munitions, or implements of war to any foreign nation, minority report to accompany H. J. Res. 282 (to propose multilateral agreement renouncing sale or export of arms, munitions, or implements of war to any foreign nations); submitted by Mr. Maas. April 6, 1932. Washington, 1932. 3 p. (H. rp. 941, pt. 2, 72d Cong. 1st sess.) 5 cents.

STATISTICAL Year-Book of the Trade in Arms and Ammunition. Geneva, 1932. 429 p. 33 cm. (League of Nations, C. 37. M. 21. 1932. IX. 35.)

CENTRAL EUROPEAN CRISIS

BULGARIA. Direction Générale de la Statistique. Annuaire statistique du Royaume de Bulgarie, 1931. Sofia, 1931. 650 p. (In Bulgarian and French.)

COMITÉ Economique. Études Relatives au Problème des Rapprochements Economiques Européens. Deuxième Série. Chiffres Essentiels du Commerce Extérieur des Pays Danubiens. Geneva, 1932. 58 p. 33 cm. (League of Nations, E. 781. 1932. II. B. 7.)

FINANCIAL Position of AUSTRIA in the First Quarter of 1932. Second Quarterly Report by M. Rost van Tonningen, the Representative in Austria of the Financial Committee. Geneva, 1932. 30 p. 33 cm. (League of Nations, C. 388. M. 218. 1932. II. A. 9.)

FINANCIAL Position of HUNGARY in the First Quarter of 1932. Second Quarterly Report by Mr. Royall Tyler, the Representative in Hungary of the Financial Committee. Geneva, 1932. 27 p. 33 cm. (League of Nations, C. 389. M. 219. 1932. II. A. 10.)

PROTOCOL providing for Suspension of certain Payments due by Bulgaria under the International Agreement of January 20, 1930, London, January 21, 1932. London, 1932. 16 p. 24½ cm. (Bulgaria No. 1 (1932) Cmd. 4071.) 3d.

SETTLEMENT of Bulgarian Refugees. Twenty-second Report of the Commissioner of the League of Nations in Bulgaria. The Quarter from November 15, 1931, to February 15, 1932. Geneva, 1932. 18 p. 33 cm. (League of Nations, C. 371. M. 212. 1932. II. A. 8.)

SETTLEMENT of Bulgarian Refugees. Twenty-Third Report of the Commissioner of the League of Nations in Bulgaria. Quarter from February 15 to May 15, 1932. Geneva, 1932. 22 p. 33 cm. (League of Nations, C. 512. M. 252. 1932. II. A. 14.)

COMMERCE AND COMMODITIES

CONVENTION between His Majesty, in respect of India, and the President of the Polish Republic concerning Commercial Relations between India and Poland, Warsaw, May 8, 1931. London, 1932. 8 p. 24½ cm. (Treaty Series No. 20 (1932) Cmd. 4119.) 2d.

ECONOMIC Committee. The Coal Problem. Geneva, 1932. 55 p. 26¼ cm. (League of Nations, C. 405. M. 224. 1932. II. B. 4.)

———. Hops. Report of the Delegation of the Economic Committee on the Meeting of Experts on Hops (February 22 to 24, 1932). Geneva, 1932. 4 p. 33 cm. (League of Nations, E. 767 (1). 1932. II. B. 5.)

FOURTH PAN AMERICAN Commercial Conference, Pan American Union, Washington, D. C. October 5–13, 1931. Final act (with annexes and a summary of the work of the conference). Baltimore, The Sun Book and Job Printing Office, Inc., 1932. 150 p. fold. forms. 23 cm.

MEMORANDUM on Trade and Balances of Payments, 1930: Vol. II. Balances of Payments 1930 (including an Analysis of Capital Movements in 1931). Geneva, 1932. 183 p. 27 cm. (League of Nations, 1931. II. A. 28/II.) $1.50.

THE TIMBER Problem. Its International Aspects. Geneva, 1932. 51 p. 26½ cm. (League of Nations, C. 493. M. 239. 1932. II. B. 6.)

TREATY of Commerce and Navigation between His Majesty, in respect of the United King-

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dom, and the President of the Republic of Haiti, Port-au-Prince, April 7, 1932. London, 1932. 11 p. 24½ cm. (Haiti No. 1 (1932) Cmd. 4092) 2d.

COMMUNICATIONS AND TRANSIT

COMMUNICATIONS and Transit Organization. Committee of Inquiry on Questions Relating to Public Works and National Technical Equipment. Report on the First Two Sessions of the Committee. Geneva, 1932. 5 p. 33 cm. (League of Nations, C. 381. M. 214. 1932. VIII. 2.)

ORGANIZATION for Communications and Transit. Report of the Air Transport Coöperation Committee on its Second Session held at Geneva, May 9 to 12, 1932. Geneva, 1932. 7 p. 33 cm. (League of Nations, C. 467. M. 237. 1932. VIII. 3.)

ADVISORY AND TECHNICAL Committee for Communications and Transit. Committee on the Unification of Transport Statistics. Report on the Unification of Transport Statistics. Draft International Convention on Transport Statistics together with Regulations Relating Respectively to Maritime Navigation, Railways and Inland Navigation. Recommendations with Regard to Administrative and Technical Statistics concerning respectively Maritime Navigation, Railways and Inland Navigation. Geneva, 1932. 71 p. 33 cm. (League of Nations, C. L. 98. 1932. VIII. Annex. 1931. VIII. 21.)

COURT OF INTERNATIONAL JUSTICE, PERMANENT

ACCESS to, or Anchorage in, the Port of Danzig of Polish War Vessels. Advisory Opinion of December 11, 1931 (Series A./B., Fascicule No. 43). 459 p. 24½ cm. (Series C. No. 55. XXIIIrd Session, 1931).

CASE of the Free Zones of Upper Savoy and the District of Gex. Double p. 96–238. 24½ cm. (Series A./B. — Fascicule No. 46) Judgment.

INTERPRETATION of the Statute of the Memel Territory (Preliminary Objection). Double p. 243–263. 24½ cm. (Series A./B. — Fascicule No. 47) Judgment.

PERMANENT Court of International Justice. Hearings before the Committee on Foreign Affairs House of Representatives Seventy-Second Congress First Session on H. J. Res. 378 a Joint Resolution Authorizing an Appropriation as the Contribution of the United States to the Expenses of the Permanent Court of International Justice for the Calendar Year 1932. Washington, 1932. 36 p. 23¼ cm.

PERMANENT Court of International Justice. June 1. 1932. . . . Report (from the Committee on Foreign Relations). Washington, 1932. 63 p. 23½ cm. (Sen. Rept. No. 758, 72d Cong., 1st sess.)

GOLD

REPORT of the Gold Delegation of the Financial Committee. Geneva, 1932. 83 p. 25 cm. (League of Nations, C. 502. M. 243. 1932. II. A. 12.) 60 cents.

LABOR

INTERNATIONAL Labor Conference. Seventeenth Session, Geneva, 1933. Abolition of Fee-Charging Employment Agencies. First Item on the Agenda. Geneva, 1932. 28 p. 21½ cm. (Questionnaire I.)

WOMEN'S Work Under Labor Law. A Survey of Protective Legislation. Geneva, 1932. 264 p. 23½ cm. (Studies and Reports, Series I (Employment of Women and Children) No. 2) $1.50.

LAUSANNE CONFERENCE

FINAL ACT of the Lausanne Conference, Lausanne, July 9, 1932. London,1932. 16 p. 24½cm. (Miscellaneous No. 7 (1932). Cmd. 4126.) 3d.

FURTHER DOCUMENTS relating to the Settlement reached at the Lausanne Conference (Lausanne, June 16–July 9, 1932). London, 1932. 6 p. 24½ cm. (Miscellaneous No. 8 (1932). Cmd. 4129.) 1d.

DECLARATION issued by His Majesty's Government in the United Kingdom and the French Government regarding Future European Coöperation, July 13, 1932. London, 1932. 1 p. 24½ cm. (Miscellaneous No. 9 (1932). Cmd. 4131.) 1d.

LES PAYEMENTS de L'Allemagne au Titre des Réparations. Paris, Imprimerie Nationale, 1932. 10 p. 30½ cm.

This *ex parte* document exhibits and explains the differences between the German account of costs to the national economy and the accounts of the Reparation Commission and succeeding bodies which constituted the treaty credits to Germany.

LIBERIA

REQUEST for Assistance submitted by the Liberian Government. Geneva, 1932. 71 p. 33 cm. (League of Nations, C. 469. M. 238. 1932. VIII. 7.)

NICARAGUA

UNITED STATES and Nicaragua. A Survey of Relations from 1909 to 1932. Washington, 1932. (Publications of the Department of State, No. 339, Latin American Series No. 6.)

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RADIO COMMUNICATION

OPINIONS Expressed by the International Technical Consulting Committee on Radio Communication. Meetings at The Hague, 1929, and Copenhagen, 1931. Washington, 1932. 84 p. 28½ cm. (Department of State, Conference Series, No. 9.)

RADIO Broadcasting. Arrangement between the United States of America and the Dominion of Canada. Effected by Exchange of Notes Signed May 5, 1932. Washington, 1932. 3 p. 23¼ cm. (Executive Agreement Series No. 34.)

SINO-JAPANESE CONFLICT

MINUTES of the Sixty-Sixth Session of the Council (Part II). Held from Monday, January 25, to Saturday, February 20, 1932. Geneva, 1932. p. 431+911+xi. 33 cm. (League of Nations, *Official Journal*, 13th Year, No. 3 (Part II)) $5.00.

MINUTES of the Sixty-Sixth Session of the Council (Part III). Fourteenth Meeting, held on Monday, February 29, 1932. Appeal of the Chinese Government (Part II). Geneva, 1932. p. 915–944, iii. 33 cm. (League of Nations, *Official Journal*, 13th Year, No. 3 (Part III), 40 cents.

RECORDS of the Special Session of the Assembly convened in virtue of Article 15 of the Covenant at the Request of the Chinese Government. Volume I. Geneva, 1932. 292 p. +xii. 33 cm. (League of Nations, *Official Journal*, Special Supplement No. 101.) $2.50.

JAPAN'S Fifty-Four Cases. By Shuhsi Hsü, Ph.D. Professor of Political Science and Dean of the College of Public Affairs, Yenching University. Peiping, 1932. 63 p. 22 cm.

A portion of the Chinese documentation presented to the Commission of Inquiry of the League of Nations.

PRELIMINARY Report on Conditions in Manchuria from the Commission of Inquiry appointed by the Council of the League of Nations, Mukden, April 30, 1932. London, 1932. 6 p. 24½ cm. (China No. 2 (1932) Cmd. 4078) 1d.

The text of C. 407. M. 225. 1932. VII, which has not been separately printed at Geneva.

CESSATION of Hostilities in Shanghai and Neighborhood and Withdrawal of Japanese Forces. Resolution adopted by the Special Assembly of the League of Nations, Geneva, April 30, 1932, and Agreement concluded between the Chinese and Japanese Representatives with the assistance of Representatives of Friendly Powers, Shanghai, May 5, 1932. London, 1932. 6 p. 24½ cm. (China No. 1 (1932) Cmd. 4077) 1d.

This armistice, the terms of which were controlled by the Assembly's resolution and action, is technically an agreement between China and Japan effected through diplomatic mediation.

STATISTICS

ECONOMIC Intelligence Service. Statistical Year-Book of the League of Nations 1931/32. Geneva, 1932. 342 p. 24½ cm. (League of Nations, 1932. II. A. 11.) $2.00 (paper).

CZECHOSLOVAK Republic. Státní úřad statistický. Aperçu statistique de la République tchécoslovaque. . . . Prague, L'Office de statistique de la République tchécoslovaque, 1930. 320 p.

TURKEY. Istatistik Umum Müdürlüğü. Istatistik yilliği, 1930–31. Ankara, 1931. 433 p. charts. (In Turkish and French.)

TARIFF RÉGIMES

UNITED STATES Tariff Commission. Report to the United States Senate on the Effect of Depreciated Currency Upon Imports of Wood Pulp and Pulpwoods in Response to Senate Resolution No. 95, Seventy-Second Congress, First Session. Washington, 1932. 134 p. 23¼ cm. (Report No. 43, Second Series.)

———. DOMESTIC VALUE — Conversion of Rates. Report to the Congress on the Investigation in Compliance with Section 340 of the Tariff Act of 1930. Washington, 1932. 823 p. 23¼ cm. (Report No. 45, Second Series.)

———. REGULATION of Tariffs in Foreign Countries by Administrative Action. Washington, 1932. 33 p. 23¼ cm. (Miscellaneous Series.)

———. WORK of the United States Tariff Commission Since Its Reorganization. June 18, 1930 to March 15, 1932. Washington, 1932. 23 p. 23¼ cm. (Miscellaneous Series.)

TREATIES, UNITED STATES

LIST of Certain Treaties submitted to the Senate 1789-1931. Washington, 1932. 27 cm. (Publications of the Department of State.)

A first official list of signed treaties which have been presented to the Senate for its advice and consent but which, for various reasons, failed to be put into force.

SUBJECT Index of the Treaty Series and the Executive Agreement Series, July 1, 1931. Washington, 1932. 214 p. 23¼ cm. (The Department of State, Publication No. 291.) 60 cents.

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FOREIGN AFFAIRS

AN AMERICAN QVARTERLY REVIEW

THE PACT OF PARIS: THREE YEARS OF DEVELOPMENT

By Henry L. Stimson

Secretary of State of the United States

SPECIAL SUPPLEMENT TO VOL. 11, NO. 1

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The address delivered by the Honorable Henry L. Stimson, Secretary of State, before the Council on Foreign Relations in New York on August 8, 1932, is here reprinted as a supplement to the October 1932 issue of FOREIGN AFFAIRS.

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FOREIGN AFFAIRS

Vol. 11 SPECIAL SUPPLEMENT No. 1

THE PACT OF PARIS: THREE YEARS OF DEVELOPMENT

An address before the Council on Foreign Relations, New York, August 8, 1932

By Henry L. Stimson
Secretary of State

FOUR years ago the United States joined with France in the initiation of the Pact of Paris — the so-called Briand-Kellogg Pact for the Renunciation of War. A year later, in 1929, the Pact became formally effective, and it has now been adhered to by sixty-two nations. Scarcely had its ratification been announced on July 24, 1929, when it became subjected to the first of a series of difficult challenges which are still going on. In the defense of the Pact in these tests the American Government has been a leader. I believe it would be appropriate, in the light of this three years' history, to take stock now of what the Pact is, the direction in which it is developing, and the part which we may hope that it eventually will play in the affairs of the world.

Events have been moving so rapidly since the World War, and we have been so close to them, that it is difficult to obtain an adequate perspective. I think, therefore, that it would be well to summarize briefly the background out of which this great treaty came and against which it must be judged.

Prior to the World War many men had had visions of a warless world and had made efforts to accomplish the abolition of war, but these efforts had never resulted in any very general or effective combinations of nations directed towards that end. During the centuries which had elapsed since the beginnings of international law, a large part of that law had been a development of principles based upon the existence of war. The existence and legality of war were to a large extent the central facts out of which these legal principles grew and on which they rested. Thus the develop-

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ment of the doctrine of neutrality was predicated upon the duty of a neutral to maintain impartiality between two belligerents. This further implies that each belligerent has equal rights and is owed equal duties by the neutral. It implies that the war between them is a legal situation out of which these rights and obligations grow. Therefore, it is contrary to this aspect of international law for the neutral to take sides between belligerents or to pass a moral judgment upon the rightfulness or wrongfulness of the cause of either — at least to the extent of translating such a judgment into action. So long as a neutral exercised this strict impartiality, international law afforded to him, his commerce, and his property, certain rights of protection. And during the generations which preceded the World War much of the growth of international humanitarianism was associated with attempts, not to abolish war but to narrow and confine its destructive effects by the development of these doctrines of neutrality. Their chief purpose was to produce oases of safety for life and property in a world which still recognized and legalized the destruction of human life and property as one of the regular methods for the settlement of international controversies and the maintenance of international policy.

The mechanical inventions of the century preceding the World War, and the revolutionary changes in industrial and social organization by which they were accompanied, have, however, produced inevitable effects upon the concept of war which I have described. Communities and nations became less self-contained and more interdependent; the populations of industrialized states became much larger and more dependent for their food supplies upon far distant sources; the civilized world thus became very much more vulnerable to war. On the other hand, with these mechanical advances modern armies became more easily transportable and therefore larger and were armed with far more destructive weapons. By these changes on either side the inconsistency of war with normal life became sharper and more acute; the destructiveness of war to civilization became more emphatic; the abnormality of war became more apparent. The laws of neutrality became increasingly ineffective to prevent even strangers to the original quarrel from being drawn into the general conflict.

Finally there came the World War, dragging into its maelstrom almost the entire civilized world; tangible proof was given of the impossibility of confining modern war within any narrow limits;

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and it became evident to the most casual observer that if this evolution were permitted to continue, war, perhaps the next war, would drag down and utterly destroy our civilization.

Before this war was over it began to be called "a war to end war," and at the Peace Conference at Versailles the victorious nations entered into a covenant which sought to reduce the possibility of war to its lowest terms. The League of Nations Covenant did not undertake entirely to proscribe wars between nations. It left unrestricted a zone in which such wars might occur without reprobation. Furthermore, it provided under certain circumstances for the use of force by the community of nations against a wrongdoer as a sanction. It created a community group of nations pledged to restrict war and equipped with machinery for that purpose. Some of this machinery, notably article 11, which provides, on a threat of war, for the calling of a conference for purposes of conciliation, has on several occasions proved a valuable influence in the prevention of war. Another important and beneficent result of the League organization has been the regular conferences which are held between the representatives of the different nations. These discussions have often proved to be effective agencies for the settlement of controversies and thus for war prevention. By them there also has been developed, particularly among the nations of Europe, a community spirit which can be evoked to prevent war. In all of these ways there has been produced the beginning of a group sentiment which is wholly at variance with some of the old doctrines in respect to war.

Nine years later, in 1928, came the still more sweeping step of the Pact of Paris, the Briand-Kellogg Treaty. In this treaty substantially all the nations of the world have united in a covenant in which they renounce war altogether as an instrument of national policy in their relations with one another and have agreed that the settlement of all disputes or conflicts of whatever nature among them should never be sought except by pacific means.

The change of attitude on the part of world public opinion toward former customs and doctrines, which is evidenced by these two treaties, is so revolutionary that it is not surprising that the progress has outstripped the landmarks and orientation of many observers. The treaties signalize a revolution in human thought, but they are not the result of impulse or thoughtless sentiment. At bottom they are the growth of necessity, the product of a

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consciousness that unless some such step were taken modern civilization might be doomed. Under its present organization the world simply could not go on recognizing war, with its constantly growing destructiveness, as one of the normal instrumentalities of human life. Human organization has become too complex, too fragile, to be subjected to the hazards of the new agencies of destruction turned loose under the sanction of international law. So the entire central point from which the problem was viewed was changed. War between nations was renounced by the signatories of the Briand-Kellogg Pact. This means that it has become illegal throughout practically the entire world. It is no longer to be the source and subject of rights. It is no longer to be the principle around which the duties, the conduct, and the rights of nations revolve. It is an illegal thing. Hereafter when two nations engage in armed conflict either one or both of them must be wrongdoers — violators of the general treaty. We no longer draw a circle about them and treat them with the punctilios of the duelist's code. Instead we denounce them as lawbreakers.

By that very act we have made obsolete many legal precedents and have given the legal profession the task of reëxamining many of its codes and treatises.

The language of the Briand-Kellogg Treaty and the contemporaneous statements of its founders make its purpose clear. Some of its critics have asserted that the Pact was really not a treaty at all; that it was not intended to confer rights and impose liabilities; that it was a mere group of unilateral statements made by the signatories, declaring a pious purpose on the part of each, of which purpose that signatory was to be the sole judge and executor, and for a violation of which no other signatory could call him to account.

If such an interpretation were correct, it would reduce the Pact to a mere gesture. If its promises conferred no rights as between the members of the community of signatories, it would be a sham. It would be worse than a nullity, for its failure would carry down the faith of the world in other efforts for peace.

But such critics are wrong. There is nothing in the language of the Pact nor in its contemporaneous history to justify any such an interpretation. On its face it is a treaty containing definite promises. In its preamble it expressly refers to the "benefits furnished by this treaty," and states that any signatory power violating its promise shall be denied those benefits. The correspondence of the

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framers of the treaty shows that they intended it to be a treaty which would confer benefits, which might be lost by a violation thereof. During the period when the treaty was under negotiation, Mr. Kellogg declared in a public address, made before this very body on March 15, 1928: "If war is to be abolished it must be through the conclusion of a specific treaty solemnly binding the parties not to resort to war with one another. It cannot be abolished by a mere declaration in the preamble of a treaty."[1] In drafting the treaty Mr. Kellogg rightly and tenaciously fought for a clear, terse prohibition free from any detailed definitions or reservations. In his own words, he sought "a treaty so simple and unconditional that the people of all nations could understand it, a declaration which could be a rallying point for world sentiment, a foundation on which to build a world peace."[2] Any other course would have opened the door to technicalities and destructive limitations.

As it stands, the only limitation to the broad covenant against war is the right of self-defense. This right is so inherent and universal that it was not deemed necessary even to insert it expressly in the treaty. It is also so well understood that it does not weaken the treaty. It exists in the case of the individual under domestic law, as well as in the case of the nation and its citizens under the law of nations. Its limits have been clearly defined by countless precedents. A nation which sought to mask imperialistic policy under the guise of the defense of its nationals would soon be unmasked. It could not long hope to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily ascertained as they can be under the journalistic conditions of today.

Again, the Briand-Kellogg Pact provides for no sanctions of force. It does not require any signatory to intervene with measures of force in case the Pact is violated. Instead it rests upon the sanction of public opinion, which can be made one of the most potent sanctions in the world. Any other course, through the possibility of entangling the signatories in international politics, would have confused the broad and simple aim of the treaty and prevented the development of that public opinion upon which it most surely relies. Its efficacy depends upon the will of the people

[1] Speech of March 15, 1928, before the Council on Foreign Relations, New York. Published as Special Supplement to FOREIGN AFFAIRS, Vol. 6, No. 3.

[2] Speech of March 28, 1930, before the League for Political Education at New York.

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of the world to make it effective. If they desire to make it effective, it will be irresistible. Those critics who scoff at it have not accurately appraised the evolution in world opinion since the World War.

From the day of its ratification on July 24, 1929, it has been the determined aim of the American Government to make this sanction of public opinion effective and to insure that the Pact of Paris should become a living force in the world. We have recognized the hopes which it represented. We have resolved that they should not be disappointed. We have recognized that its effectiveness depends upon the cultivation of the mutual fidelity and good faith of the group of nations which has become its signatories, and which comprise virtually all of the nations of the world. We have been determined that the new order represented by this great treaty shall not fail.

In October 1929 President Hoover joined with Mr. Ramsay MacDonald, the Prime Minister of Great Britain, in a joint statement at the Rapidan in which they declared: "Both our Governments resolve to accept the Peace Pact not only as a declaration of good intentions, but as a positive obligation to direct national policy in accordance with its pledge." That declaration marked an epoch.

In the summer of 1929 hostilities threatened between Russia and China in northern Manchuria. Both nations were signatories of the Pact. It was the most difficult portion of the world in which such a challenge to this treaty could have occurred. Yet we at once took steps to organize public opinion in favor of peace. We communicated with the Governments of Great Britain, Japan, France, Italy and Germany, and the attention of the Governments of Russia and China was formally called to their obligations under the Treaty. Later during the same autumn, when hostilities actually broke out and military forces of Russia had crossed the Manchurian boundary and attacked the forces of China, our Government communicated with all the signatories of the Pact, suggesting that they urge upon Russia and China a peaceful solution of the controversy between them. Thirty-seven of these nations associated themselves with our action or signified their approval of our attitude. Although the aspect of the controversy had been extremely threatening and the forces of Russia had penetrated nearly a hundred miles within the boundaries of China, the restoration of the *status quo ante* was accepted by

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both parties and the invading forces were promptly withdrawn.

Two years later, in September 1931, hostilities broke out between the armed forces of Japan and China in the same quarter of the world, Manchuria, and the situation was brought to the attention of the Council of the League of Nations, which happened to be then in session at Geneva. Our Government was invited to confer as to the bearing of the Pact of Paris upon the controversy. We promptly accepted the invitation, designating a representative to meet with the Council for that purpose; and the attention of the two disputants was called to their obligations under the Pact by France, Great Britain, Germany, Italy, Spain, Norway and the United States — those nations, other than the United States, being members of the Council then in session.

The hostilities between Japanese and Chinese armed forces continued and protracted efforts towards conciliation were made by the Council of the League, which had taken jurisdiction of the matter. The American Government maintained its attitude of sympathetic coöperation with the efforts of the Council and acting independently through the diplomatic channels endeavored to reënforce the Council's efforts at conciliation. Finally, when in spite of these efforts Japan had occupied all of Manchuria, the American Government formally notified both that country and China, on January 7, 1932, that it would not recognize any situation, treaty, or agreement which might be brought about by means contrary to the covenant and obligations of the Pact of Paris. Subsequently, on March 11, this action of the American Government was endorsed by the Assembly of the League of Nations, at a meeting in which fifty nations were represented. On that occasion, under circumstances of the utmost formality and solemnity, a resolution was adopted, unanimously, Japan alone refraining from voting, in which the Assembly declared that, "it is incumbent upon the members of the League of Nations not to recognize any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris."

These successive steps cannot be adequately appraised unless they are measured in the light of the vital change of point of view which I have described in the opening of this address. They were the acts of nations which were bound together by a new viewpoint towards war, as well as by covenants which made that viewpoint a reality. Except for this new viewpoint and these new covenants,

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these transactions in far-off Manchuria, under the rules of international law theretofore obtaining, might not have been deemed the concern of the United States and these fifty other nations. Under the former concepts of international law when a conflict occurred, it was usually deemed the concern only of the parties to the conflict. The others could only exercise and express a strict neutrality alike towards the injured and the aggressor. If they took any action or even expressed an opinion, it was likely to be deemed a hostile act towards the nation against which it was directed. The direct individual interest which every nation has in preventing a war had not yet been fully realized, nor had that interest been given legal recognition. But now under the covenants of the Briand-Kellogg Pact such a conflict becomes of legal concern to everybody connected with the Treaty. All of the steps taken to enforce the treaty must be judged by this new situation. As was said by M. Briand, quoting the words of President Coolidge: "An act of war in any part of the world is an act that injures the interests of my country." The world has learned that great lesson and the execution of the Briand-Kellogg Treaty codified it.

Thus the power of the Briand-Kellogg Treaty cannot be adequately appraised unless it is assumed that behind it rests the combined weight of the opinion of the entire world united by a deliberate covenant which gives to each nation the right to express its moral judgment. When the American Government took the responsibility of sending its note of January 7 last, it was a pioneer. It was appealing to a new common sentiment and to the provisions of a Treaty as yet untested. Its own refusal to recognize the fruits of aggression might be of comparatively little moment to an aggressor. But when the entire group of civilized nations took their stand beside the position of the American Government, the situation was revealed in its true sense. Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in international law. For never before has international opinion been so organized and mobilized.

Another consequence which follows this development of the Briand-Kellogg Treaty, which I have been describing, is that consultation between the signatories of the Pact when faced with the threat of its violation becomes inevitable. Any effective invocation of the power of world opinion involves discussion and consultation. As long as the signatories of the Pact of Paris support the

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policy which the American Government has endeavored to establish during the past three years of arousing a united and living spirit of public opinion as a sanction to the Pact, as long as this course is adopted and endorsed by the great nations of the world who are signatories of that Treaty, consultations will take place as an incident to the unification of that opinion. The course which was followed in the Sino-Japanese controversy last winter conclusively proves that fact. The moment a situation arose which threatened the effectiveness of this Treaty, which the peoples of the world have come to regard as so vital to the protection of their interests, practically all the nations consulted in an effort to make effective the great peaceful purposes of that Treaty.

That the Pact thus necessarily carries with it the implication of consultation has perhaps not yet been fully appreciated by its well-wishers who have been so anxious that it be implemented by a formal provision for consultation. But with the clarification which has been given to its significance by the developments of the last three years, and the vitality with which it has been imbued by the positive construction put upon it, the misgivings of these well-wishers should be put at rest. That the American people subscribe to this view is made clear by the fact that each of the platforms recently adopted by the two great party conventions at Chicago contains a plank endorsing the principle of consultation.

I believe that this view of the Briand-Kellogg Treaty which I have been discussing will become one of the great and permanent policies of our nation. It is founded upon conceptions of law and ideals of peace which are among our most cherished faiths. It is a policy which combines the readiness to coöperate for peace and justice in the world, which Americans have always manifested, while at the same time it preserves the independence of judgment and the flexibility of action upon which we have always insisted. I believe that this policy must strike a chord of sympathy in the conscience of other nations. We all feel that the dreadful lessons taught by the World War must not be forgotten. The determination to abolish war which emerged from that calamity must not be relaxed. These aspirations of the world are expressed in this great Treaty. It is only by continued vigilance that it can be built into an effective living reality. The American people are serious in their support and evaluation of the Treaty. They will not fail to do their share in this endeavor.

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